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ECONOMIC POLICY, ORGANIZATION AND MANAGEMENT

'IZVESTIYA' ON ECONOMIC PLAN AS LAW

PM251039 Moscow IZVESTIYA in Russian 8 Feb 83 Morning Edition p 1

[Editorial: "The Plan Is a Production Law"]

[Excerpt] Creatively, in a disciplined manner, without fuss, but also without procrastination, saving every work minute for work--this is how millions of Soviet people are working today to fulfill the plans of the third year of the 5-year plan. The experience of the people of Rostov, who are striving for the rhythmic, highly productive working of every section, shop and team, has become widespread in the country. The efforts of labor collectives are backed up by a whole range of organizational, technical and educational measures, and every instance of the nonfulfillment of targets becomes the subject of broad discussion and analysis in party and Soviet organs.

However, efficient work has not yet been organized everywhere, as demanded by the CPSU Central Committee November (1982) Plenum decisions. As is known, production associations and enterprises in certain sectors failed to fulfill their plan targets for the second year of the 5-year plan. Precisely these collectives must do everything to organize efficient work. The maximum possible use must be made of the existing potential for improving economic activity, accelerating scientific and technical progress and increasing labor productivity in all links of the national economy. Strict observance of state discipline must everywhere become the moral norm of life in every labor collective. Concerned work counteracts storm tactics, every lack of organization and violations of rhythm. Where the principle "the plan at any price!" operates and where there is a lowering of executive discipline, people's faith in strict order in production disappears.

"We need conscious, worker discipline, such as would advance production," Comrade Yu. V. Andropov, general secretary of the CPSU Central Committee, emphasized at his meeting with Moscow machine-tool builders. "We must give the struggle for discipline great substance and link it directly to the fulfillment of production targets, and then there will be no hot air, so to speak. Then what the November plenum of the party's Central Committee outlined will be fulfilled."

Much here depends on economic leaders. Take, for example, questions of current planning. If the plan is broken up evenly into quarters, months and 10-day

periods and is backed up by material and technical supplies, and if technological discipline is strictly observed, then favorable conditions are created for its fulfillment. In order to cope successfully with the large-scale tasks of the 5-year plan, the plan figures should everywhere be backed up by economic and organizational measures. Everyone--from worker to minister--is obliged to treat the plan as a law, as a most important state document. Unfortunately, in a number of sectors the plans are still fulfilled at the cost of great expenditure and production costs. The problem of lack of coordination in the development of raw material and processing sectors remains acute. The material-intensiveness of output is practically not falling, and yet economy and a thrifty attitude toward public property are today a question of the reality of our plans.

The forces of inertia and old habits sometimes operate in the work of certain ministries and departments and leaders of production associations and enterprises. Work to improve management, planning and the economic machinery is poor. The practice of amending plans downward has still not been eradicated. This is most frequently a consequence of someone's inability to organize, or of irresponsibility with regard to the entrusted work sector, or it is a means of drawing a veil over unresolved problems. It is important to bear in mind that the strengthening of labor, planning and state discipline and the instilling of order in production do not require additional expenditure, but they have a tremendous effect.

What does successfully fulfilling plan targets mean today? It means, above all, working productively and with economical consumption of raw materials and energy, reducing idle time and strengthening labor discipline. A considerable saving of time and of labor and material resources is achieved in comprehensive teams working to a single job schedule. But the team method is still being introduced only slowly in a number of sectors.

The chief criterion by which the work of all sectors must be evaluated is the fulfillment of the chief tasks of the 5-year plan, production intensification and improved work quality. In the collective where the concept of worker honor and conscience is not just empty words, the workers display creative initiative and personal composure, are genuine masters of the plant and struggle selflessly to achieve weighty end results of labor. Economic leaders and deputies' posts and groups in enterprises are called upon to head the struggle for the fulfillment of plans with regard to all indicators without exception and to show constant concern for creating favorable work conditions at every work place. The successful fulfillment of the plans of the 5-year plan depends on this.

CSO: 1820/79

ECONOMIC POLICY, ORGANIZATION AND MANAGEMENT

ECONOMIC MANAGEMENT, RESPONSIBILITY OF KHOZRASCHET SECTORS

Moscow EKONOMICHESKAYA GAZETA in Russian No 8, Feb 83 p 15

[Article by I. Lukinov, academician of the UkrSSR Academy of Sciences and VASKhNIL: "Economic Control and Responsibility of Autonomously Financed Units"]

[Text] The solution to the basic problems in implementing the economic strategy of the CPSU and the Soviet state make it necessary to strengthen methods of economic control on principles of all-around strengthening of the system of planning and autonomous financing. In his speech at the November (1982) Plenum of the CPSU Central Committee, U. V. Andropov emphasized that the main thing now is "to accelerate the work for improving the entire sphere of management of the economy--administration, planning and the economic mechanism."

The Force of Economic Interests

Economic methods play a decisive role in the entire economic mechanism. The achievement of smooth interaction of its constituent parts, primarily planning, the system of planned economic regulation of production expenditures, prices, financial and credit levers and stimuli, and the system of khozraschet relations constitute one of the main directions in the work for improving planned management of the economy. The main thing here is to provide stable economic conditions for khozraschet activity of the associations and enterprises, khozraschet independence and their economic responsibility for the final results, the utilization of intensive growth factors and increased production effectiveness.

The fact is that the degree of efficiency of management depends directly on the level of collective responsibility for loss-free production and the motivation of each labor collective and each worker to achieve the best results. The sensitive aspects of economic interests are manifested here above all. When improving the economic mechanism it is necessary to turn to precisely those methods and means of economic administration which involve the system of economic interests and change their relationship and the force of the activating influence on the production process.

Measures for improving the economic mechanism are proceeding in this direction. But there is still unjustified regulation of the activity of associations and enterprises, the desire to solve their problems "from above," thus undermining their initiative and economic maneuverability. As a result of the lack of optimal relations with price and financial-credit regulation, there has been an unjustifiable increase in subsidies with which one mechanically equalizes economic conditions for the operation of advanced and backward enterprises. Income is taken from the former through various channels, especially in the form of so-called free residual profit, and the latter are subsidized without reimbursement. Thus in the former case motivation to increase efficiency is lost, and in the latter there is a feeling of dependence and then adjustment to it.

Moreover, the utilization of intra-enterprise funds is strictly regulated, primarily the fund for development, which limits the possibilities of khozraschet interest and maneuvering of the activity of labor collectives. In our opinion, the perfunctory nature of khozraschet sometimes nullifies khozraschet stimuli for accelerating scientific and technical progress and extensively utilizing its latest achievements as well as internal reserves and capabilities.

Of course centralized planning and state budget financing have been, are and will be a most important constituent part of the economic mechanism under socialism. Concentration of resources in the decisive areas of socio-economic and scientific-technical progress is one of the main advantages of the socialist economy. But it must be utilized more efficiently and purposively. We are speaking primarily about the creation and development of principally new kinds of production, the assimilation of high-quality new technologies that revolutionize the entire reproduction process, and the creation of new or radical modernization of existing large facilities and complexes of national economic significance.

The process of further improving the economic mechanism is effective only when one achieves an organic combination of public and private interests and centralized and lower-level planning of administration, and when khozraschet relations and stimuli for effective management are developed.

It will be necessary to create more and more stable economic conditions whereby the performance of centralized administrative functions will provide for efficient khozraschet activity of the associations and enterprises, the reimbursement of expenditures and the creation of necessary accumulations for the development and updating of production through internal sources. In this connection it is worthwhile to recall V. I. Lenin's idea that "Trusts and enterprises with autonomous financing are established primarily so that they themselves can be responsible and completely responsible for operating their enterprises without losses." ("Collected Works, Vol 54, p 150)

The results of the economic activity of the associations and enterprises should increasingly be evaluated in terms of the effectiveness of the utilization of the totality of production resources (fixed and circulating production capital, labor and natural resources), that is, the resource potential.

Optimization of Relations

Improvement of the economic mechanism requires organic coordination of production planning and the system of economic levers (prices and financial-credit instruments) with their optimal combination. Price and nonprice levers, being an indispensable constituent part of planned administration, are directly interrelated. They are called upon to provide for an optimal ratio of centralized (state) and enterprise accumulation and consumption funds which create economic prerequisites for consistent technological updating of production and its increased effectiveness. A lack of coordination in planning and regulation of price and nonprice methods leads to a unilateral crowding out of internal sources of accumulation in many branches, associations and enterprises, and sometimes to unjustified replacement of them with channels of state budget financing, which eliminates khozraschet stimuli.

Control of the complex process of forming production expenditures as the initial base of planned prices requires surmounting the negative effect of cost-increasing factors as a result of activating factors that decrease costs. It is necessary primarily to provide for strengthening the cost reduction tendencies in the branches of the processing industries and, on the other hand, to eliminate the tendency toward rising costs in a number of base spheres of production (the extraction industry, agriculture). A decisive factor in this matter is the creation and introduction of resource-saving technologies in closed cycles and other effective areas of scientific and technical progress which are accompanied by a total savings of public labor and increased production profitability. An important cost reducing factor is the system of optimization of production and administration and the ensurance of technological and labor discipline.

Net income, which is included in prices, directly predetermines the degree of effectiveness of production and the utilization of the products by the consumers. Planning prices requires that they be strictly coordinated with the regulation of financial and credit levers, particularly net income with fixed payments, the reimbursement for expenditures on assimilation, the distribution of profit and fund-forming indicators.

Financial Factors in Intensification

Finances which are formed on a solid economic basis are called upon to ensure stable expansion of reproduction through monetary resources and to create the necessary conditions for the development of khozraschet relations in all branches of the national economy. Optimal proportions of centralized, departmental and enterprise sources for covering planned expenditures can be achieved on the basis of the criterion of the maximum national economic and khozraschet effects.

Budget funds which are used mainly for financing nationwide needs should not crowd out intra-business accumulations, and they should take them into account maximally when determining an efficient structure for financing the business.

Yet distribution relations do not properly stimulate an increase in production efficiency. In the overall sum of monetary accumulations of the national economy (except for the kolkhozes) during 1980, 94.1 billion rubles (40.1 percent) come from turnover tax and 116 billion rubles (49.5 percent)--profit from state enterprises, of which 68.4 billion rubles (59 percent) is deposited into the budget and 47.6 billion rubles (41 percent) remains at the disposal of the enterprises and economic organizations. And the proportion of intra-business accumulations in the overall amount of national economic accumulations amounts to only about 20 percent which, in our opinion, is not adequate for normal khozraschet activity.

When enterprises and associations operate at a loss or do not have adequate internal sources of accumulation, the state must subsidize such economic organizations, either through nonreimbursable budget financing or through the mechanism of intradepartmental redistribution of income, or they must be maintained as a result of nonreturnable credit resources which, in the final analysis, disturbs the combination of nationwide, collective and private interests. The illusion is created that the socialist state can always cover any "gaps" caused by an inefficient attitude toward business. Moreover, this is done at the expense of efficiently operating branches and enterprises--in spite of the principles of socialist distribution.

When developing the Food Program it was necessary, as we know, to make deep changes in the direction of the stabilization of the economic situation of businesses in order to change the sources of investment and stimulate them in favor of increasing the proportion of intra-business incomes. Under the new conditions, when the policy of extending credit is stricter, financial discipline increases and the kolkhozes and sovkhozes have to make their expenditures on the basis of their income from the sale of products and carry out expanded reproduction with their own money. And in industry the combination of centralized and internal sources of development of production are still far from optimal and do not properly stimulate increased efficiency.

At many enterprises the process of unjustified withdrawal of profit and then returned budget or departmental financing continues through various channels, which undermines the collective motivation to reduce production costs and increase income.

Our country's many years of experience and the experience of the CEMA countries shows that the effectiveness of financial and credit methods of regulation are increased with more extensive utilization of economically substantiated stable norms in the interrelations between the businesses and the budgets.

Yet the normative method of distribution is being introduced extremely slowly. By the end of 1982 this method was introduced in seven union industrial ministries, the USSR Goskomizdat and individual republic ministries and departments, and in the Ukrainian SSR. for example, only in one construction ministry. Even at the enterprises in which norms for the distribution of profit were introduced, they are largely perfunctory in nature.

In order to secure the rights of the associations and enterprises in the matter of forming and utilizing profit (especially above-planned profit), it is necessary to further improve the corresponding methods that regulate the rights and responsibilities at all levels of administration.

Further development of khozraschet relations in the national economy is impossible without solving the problem of circulating capital of the enterprises. And a good deal has been done in this area in recent years. In particular, the normatives for circulating capital of industrial enterprises have been made more precise. They have been increased by a sum of about 5 billion rubles. This creates a basis for strengthening the financial condition of the enterprises and improving payment discipline in the national economy. Yet the lack of coordination of the financial and credit mechanisms sometimes leads to an unjustified crowding out of internal circulating capital by bank credit. In the final analysis this deprives a number of enterprises (particularly of the food industry) of an economic basis for the development of true autonomous financing.

It is obvious that it is necessary to restore intra-business circulating capital to a sufficient degree everywhere, not to allow it to be unjustifiably crowded out by credit resources, and to solve the problem of khozraschet sources of forming these funds for stable economic development.

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ECONOMIC POLICY, ORGANIZATION AND MANAGEMENT

BUNICH INTERVIEWED ON NEED FOR EFFECTIVE MANAGEMENT

Moscow MOSCOW NEWS in English No 6, 13-20 Feb 83 p 12

[Interview with Pavel Bunich, corresponding member of USSR Academy of Sciences, by Alexander Guber: "Initiative and Responsibility"]

[Text]

Why has the question of developing initiative and responsibility among economic executives received so much emphasis in this country in recent years, especially since the 26th CPSU Congress and the Plenary Meetings of the Party's Central Committee in May and November 1982?

For an answer our correspondent turned to Pavel BUNICH, Corresponding Member of the USSR Academy of Sciences, head of the Problems Laboratory of the Academy of the National Economy under the USSR Council of Ministers, and a department head at the Moscow Administration Institute.

AN INHERENT HUMAN TRAIT

"To begin with, let's make it clear," said Pavel Bunich, "that initiative and responsibility are two sides of the same coin. They are inseparable. One makes no sense without the other. And another thing: initiative or, as Academician Vladimir Engelgardt used to say, the need for self-expression, the search for truth and the desire to seek the unknown, is a trait genetically inherent in man. The social conditions prevailing in a given society may promote or inhibit this trait, may direct its development either towards the common good or towards evil, but the trait itself is ineradicable. Therefore, our efforts to encourage initiative at all levels (and we have been doing this for more than 60 years now) are helping to bring out a quality which is an inherent human trait."

"Still, why is so much attention being given to this question at this particular moment?"

"The reasons are many. Until comparatively recent times, our national economy has been developing dynamically, but at the same time it 'went slow'. If I may put it that way."

"Meaning what?..."

"Let's look back to the period of the first five year plans when our industrial production was going up by 20 per cent and more annually, when new industries were being started, and when undeveloped regions were being brought into the economic system. Within the period of just a few years what had been a backward country surged forward to become the world's second industrial power. In short, the country's economic image was changing tempestuously, at a rate unprecedented in world history. When I said that the economy 'went slow', I did not mean our economy or our industry as a whole, but individual enterprises. A factory first built in the '30s renovated its machinery, technology, products and the organization of its production at a comparatively slow

rate. Also, as a rule, retooling was done on an initiative from above. At the enterprises themselves, the unavoidably pressing internal motivation for renovation did not yet exist. Today, in the epoch of the scientific and technological revolution it does. Waiting for a signal from the outside means falling hopelessly behind. There is much truth in the saying that one must run fast even to stay in the same place. Initiative is becoming an indispensable prerequisite for the normal functioning of an enterprise and of a labour collective. And the development of initiative has called for new, more extensive rights."

INFORMATION— THE PRINCIPAL RAW MATERIAL

"You have said that the reasons are many, but have mentioned only one—the scientific

and technological revolution. What are the others?"

"The possibilities for displaying initiative have grown immeasurably. There is an expression: information is the principal raw material of a modern enterprise. This is accurately put. It is difficult to make optimum decisions if one lacks the proper information. Moreover, initiative under these circumstances may prove ill-advised. At present, our production associations have at their disposal a tremendous amount of information on both Soviet and world experience, on the markets, and the like."

"But one must know how to use all that information."

"That's true. I conduct classes for upperechelon economic executives, and I can assure you that most of them are real captains of Soviet industry, well prepared for independent sailing. Of course, they do not know everything, and they cannot do everything. But they have the urge to study and the gift for absorbing knowledge and experience. Plus a serious attitude towards information. It's high time they were given a really free hand, and that we passed from words to deeds, as Yuri Andropov said at the November 1982 Plenary Meeting of the CPSU Central Committee."

"There are also other reasons for a new approach. Take the deficit, for example. How is one to distribute that which is in short supply? To solve the problem a cumbersome centralized control and distribution apparatus is created, which, willy-nilly, curbs the independence of individual enterprises. With a deficit, however, one can see no other way out."

"Why is the deficit being discussed more now than ever before?"

"Formerly, we were short of everything — of goods and of funds. I have in mind both enterprises and the population. Today, there is an immeasurably greater amount of everything, but a gap has appeared between supply and demand. That's the deficit. To overcome it, it is necessary to increase production efficiency; in other words, to get the maximum end

result with a minimum of labour and material expenditure."

"Basically, the task is not novel, of course. But formerly, we had far greater possibilities for solving economic problems by bringing more labour and material resources into production. Today, the potential for extensive development has diminished, which makes increased efficiency the decisive factor in carrying out our plans in general, and in eliminating the deficit in particular."

THE PLAN AND THE RESULT

"What could you say about the role of the plan in encouraging initiative, in the past and today?"

"Until quite recently, the work of our enterprises was assessed on the basis of the percentage showing what portion of their individual plans had been fulfilled. Given the all-embracing centralized planning, that seemed normal. Under the prevailing conditions at the time (the comparatively low level of economic development, according to present day standards, and the inadequate training of economic executive personnel), such a system was expedient. But it has now outlived itself, if for no other reason than for the fact that under the present conditions it does not stimulate initiative; it demands that people be, above all, painstaking rather than independent and truly responsible in their work."

"Please elaborate."

"If your work is assessed on a percentage basis indicating how well you have coped with your plan, then, obviously, the lower the plan quotas are, the quieter and easier your life will be. It therefore makes sense to understate your reserves at the planning stage so as to show a higher percentage when the results are evaluated. Now the time has come to appraise an enterprise's work on the basis of how its end result compares with its potential."

"But should the end result be put into opposition with the plan?"

"No, of course not. What I mean is something entirely dif-

ferent. In our conditions without a plan for intensive production, you cannot expect to achieve a high end result; there will be nowhere to get the necessary resources, and nowhere to market your goods. The appraisal of the work on the basis of the optimum end result will prompt enterprises to assume—at the planning stage—not the least possible, but the greatest possible obligations. They are certainly more difficult to cope with, but at the same time they are worth working for."

"But do you think workers, technicians and engineers will welcome this change?"

"A high end result means high earnings, plus moral benefits, such as pride in your own work and in the products made at your plant. Should a manager fail to understand this, his workers will leave him, or demand better organization of work at the plant or, if need be, request that the manager be removed."

WHO WORKS BETTER...

"Could you give me examples of enterprises that have switched to the new system?"

"Special scales for the utilization of production capacities have been elaborated for most enterprises under the authority of the USSR Ministry of Tractor and Agricultural Machinery. If a factory surpasses its plan quotas but fails to use its capacities to the full, it finds that it loses through this failure. As a result, plans for more intensive production are being assumed. Without this, as I have said, you cannot hope to achieve high results."

"Or take the Frunze machine-building production association in Sumy (the Ukraine), which has adopted similar scales for individual workshops and sections. Here, too, this acts as a stimulus, leading to plans for more intensive production that envisage full-capacity use of equipment, a minimum of capital investments and manpower, and a greater amount of raw materials (for producing additional goods). This system is being used at one hundred plants in this particular industry (chemical engineering), and also at a hundred more plants in

other industries throughout the Sumy Region.

"During the past few years, additions to wholesale prices—a reward for higher efficiency and quality—have been introduced for the enterprises of practically all ministries concerned with the processing industries. These additions mean better remuneration for those who work better."

"Wasn't this practiced before?"

"Economists have a special concept—labour intensity. In the past as well, those who worked better earned more than their less industrious or less skilled colleagues. But a poor performer got more per unit of labour intensity. This held true for both individual workers and entire enterprises."

"The important feature of the additions I've mentioned is that they benefit those who improve quality or cut costs in excess of the planned targets, the benefit being proportional to the significance of the achievement. In other words, everything is done on a strictly individual basis."

RESPONSIBILITY AT ALL LEVELS

"You have said that these innovations prompt enterprises to assume and carry out plans for more intensive production. But how can a factory manager or a labour collective feel responsible for the plan if the draft they submit is altered in a major way by the planning bodies?"

"This is a very serious matter. Responsibility must be increased at all levels. Any change introduced into the plan from above inevitably changes the situation for a given enterprise, one way or another. If the factory is assigned to turn out unprofitable goods—children's clothes, for example—it means that subsidies must be provided (naturally, in addition to the required material resources). The principle is simple: any alterations necessitated by the interests of society must not put

the enterprise which has assumed a plan for more intensive production at a disadvantage. And alterations uncalled for by public requirements and without material support have no right to exist."

"Are there instances, in your opinion, of an optimum blend of initiative and responsibility in our economic life?"

"Yes, there are. The cost-accounting teams. When such a team decides to build a house, for example, it knows only two things in advance: the estimated cost of the house and its own total wage fund. Naturally, the team is vitally interested in doing high quality work (otherwise the client will not accept the house), in working fast (it's better to get the whole wage fund in three months than in a year), and in saving on materials (a considerable part of the sum thus saved goes to the team)."

LACKING—STIMULI, NOT RESOURCES

"This kind of organization of work is widely used not only in construction and industry, but in agriculture as well. Where it is applied in earnest such teams do not tolerate loafers and idlers in their midst. The smaller the team, the higher the earnings of each of its members. They are also extremely demanding of their partners and of their own management. If a cost-accounting team does not get the materials or the specifications in good time, or is sent a defective panel, it suffers a direct loss. I am well acquainted with many leaders of such teams, and I also know how they work. They are proving in practice that it is not resources that we lack, but the stimuli for really efficient work. If all of us worked the way the best cost-accounting teams do, the deficit would have disappeared long ago, both in manpower and material resources."

"What then is standing in the way of a general changeover to such an organization scheme?"

"The thing is that a team is responsible for the optimum end

result, whereas those who stand above it are responsible for fulfilling the plan in terms of percentage. In case of a construction project, for example, the plan can be fulfilled without completing the house, by merely 'raking together' the necessary volume of work through the digging of the foundation pits, and other operations. A team could work better, with a greater benefit for society and for its members, but the leadership of, say, a building trust is not interested in this. All it is concerned with—and stands to gain materially from—is the fulfilment of the capital investment plan. A team that is too demanding and too energetic is just a nuisance for it, causing a lot of trouble and bringing no appreciable dividends."

"What is the solution?"

"The responsibility for the optimum end result must become universal. The various links in any given technological and organizational chain should not be approached differently, using different criteria and making different demands."

"But it is simply impossible to reorganize everything at once, go..."

"Correct. Any undue haste here can only cause harm. For many years, however, the cost-accounting teams have been demonstrating the viability and expedience of the principles underlying their work. These principles have also proved their worth when applied to larger collectives—workshops and entire enterprises. The time has probably come to introduce them everywhere more boldly and resolutely. This, I think, is the best way of raising initiative and responsibility to the desired level. Understandably, certain details have to be brushed up and verified experimentally, as was noted by Yuri Andropov at the November 1982 Plenary Meeting of the CPSU Central Committee. But there is no time to waste. Our economic mechanism must operate better and our economy must grow faster to better meet the growing requirements of the Soviet people."

ECONOMIC POLICY, ORGANIZATION AND MANAGEMENT

ELEMENTS OF DETERMINING NATIONAL INCOME DISCUSSED

Tbilisi ZARYA VOSTOKA in Russian 19 Nov 82 pp 2-3

[Article by Nizha Khurtsidze, Doctor of Economic Sciences, Professor: "National Income: Its Nature and Growth Factors"]

[Text] The plans for the economic and social development of the USSR outlined by the party for the 11th Five-Year Plan period and the 1980s reflect the vital interests of the Soviet people and signal an important stage in building communism.

The decisions of the 26th Party Congress provide a deep analysis of the economic and social development of our country and at the same time outline new tasks of theory and practice whose implementation will contribute to our further progress on the path toward building the communist society.

When analyzing aspects of the party's economic policy, it is highly important to have a clear understanding of the principal economic terms. In particular, such an important question of theory as the nature and growth factors of national income deserves special attention and we shall dwell on it below.

A thorough analysis of utterances by the classics of Marxism-Leninism warrants the assumption that national income is that part of gross national product which remains after subtracting the part needed to offset the means of production expended on its generation. Gross national product is the total quantity of all output produced during a particular interval of time, say, a year, by all the branches of material production in a particular country or its regions.

The production of any kind of output and in general of the gross national product requires means of production--raw and other materials, fuel, production buildings, machinery, machine tools and other kinds of equipment. In the process of production, all these means of production become depreciated--the depreciation being immediate and complete for raw and other materials within a single production cycle and gradual for machinery, equipment, buildings and other facilities--and their value becomes part of the production cost. This represents old value generated by past labor which is carried over into gross national product.

But the value of the gross national product does not consist merely of the value of the expended means of production, i.e. of the value created by past labor. In addition, the overall value of the gross national product contains newly created value.

The point is that human labor, which operates means of production and produces output, is of a dual nature--both abstract and concrete. Concrete labor consumes means of production, produces new output and carries over into the value of that new output the value of the expended means of production. As regards abstract labor, it generates new value. This does not mean, of course, that concrete and abstract labor operate in isolation from one another. Actually, we are dealing with one and the same labor which, however, displays a dual aspect, a dual character. In the process of the production of material goods labor carries over, on the one hand, the value of the expended means of production into the value of the output produced (concrete labor) and, on the other, generates a new value (abstract labor). Thus, the overall value of the gross national product is divided into two parts--the value of the expended means of production (created by past labor) and the newly created value.

If the cost of the expended means of production is subtracted from the value of the gross national product, we are left with the newly created value. It is precisely the latter that is the value of national income. But this does not mean at all that national income consists of newly created value alone.

Unfortunately, many experts, including economists, think and write as if national income were solely newly created value. In their works they even often provide corresponding definitions of national income. Such definitions are one-sided and inaccurate.

Assuming that national income consists of newly created value (as created by socially necessary abstract labor), it is a complete mystery why national income in nearly every country, and especially under socialism, is rising at a much faster rate than employment and the expenditures of labor in the process of material production. Between 1913 and 1980 the national income of the USSR has grown in volume by a factor of more than 75, but no one can assert that this was due to an increase in the expenditure of socially necessary abstract labor, considering that population growth during the same period was only 66.1 percent and the work day has become shorter.

Calculations by Professor Doctor of Economic Sciences B. Braginskiy, a well-known expert on labor economics in this country, show that the overall expenditures of labor in the sphere of material production in our country had been about 195 billion manhours in 1976 and 1977, while in 1913 it had roughly amounted to 190 billion manhours. It ensues that, over these periods, the overall expenditures of labor on material production have remained nearly unchanged, having increased by 2.6 percent, whereas in the meantime national income has grown in physical terms, roughly speaking, by a factor of more than 60. Now if the position is taken that national income is the sum of values (newly created value), it ensues that the national income of our country in 1977 should be equal in magnitude to that of tsarist Russia in 1913, which is absurd. What is more, if we proceed further from this premise, it ensues that the national income of India and China should exceed that of the United States, which diverges from reality.

Those who champion identifying the concept of national income with that of newly created value get trapped in a logical contradiction when considering the role played by the increase in labor productivity in the growth of national income. They are perfectly right in thinking and writing that the increase in the productivity of socially useful labor is the chief motive power for the growth of national income. But then equating national income with the concept of newly created value makes it impossible to explain why should the growth in labor productivity be the principal factor in the growth of national income. After all, labor productivity is linked to concrete, not abstract, labor and an increase in labor productivity neither increases nor reduces the value of a commodity and national income (newly created value). K. Marx wrote: "Labor performed at equal intervals of time always creates equal values, regardless of changes in its productive power. But then it supplies differing quantities of consumption values at equal intervals of time--greater quantities when its productive force is greater and smaller when it is smaller."

Hence, an increase in labor productivity increases only the physical value--the material composition of national income, without increasing the newly created value. Consequently, the increase in productivity is the principal factor in the growth of the physical volume of national income and gross national product without affecting the growth the newly created value of national income.

Those who champion identifying the concept of national income with that of newly created value fail to make adequate allowance for the Marxist tenet that national income, like the entire gross national product, is an embodiment of the dialectical unity of consumption value and value, of material-natural composition and the composition of value. This fundamental Marxist tenet should be considered when defining the concept of national income. It is fully considered in the following, reiterated definition: national income is the part of the gross national product that remains after the (value and material part) needed to offset the expended means of production is deducted from that product.

It seems to us that another definition of national income is possible as well: /national income is the part of the gross national product embodying in material terms the newly created value/. [printed in boldface]

Such a definition eliminates the aforementioned conceptual shortcomings and takes into account the role of the increase in labor productivity in the growth of national income, because the higher the level of labor productivity becomes, the larger the physical volume of national income embodying in material terms the same newly created value. As it happens, to the working people of our country and the entire Socialist Community the main determining factor is not the increase in the value of national income but the increase in its physical volume. Between 1913 and 1980 it was not the value of national income but its physical volume, its material-natural composition, that increased by a factor of 75 in this country. The principal factor in that increase has been the productivity of socially useful labor, which during that period grew by a factor of nearly 53.

Of course, the physical composition of national income in our country is also growing to some extent owing to the increase in employment in the sphere of material production. It is precisely this that accounts for the more rapid growth of national income compared with the growth of the productivity of socially useful labor. But, as has been pointed out above, it is the increase in the productivity that was and remains the principal factor in the growth of national income. This precisely accounts for the unswerving attention paid by our party and the Soviet government to a consistent and universal increase in labor productivity--both at discrete enterprises and in the national economy as a whole.

Letters from readers received by the editors of ZARYA VOSTOKA contain requests for clarifying the question of factors in the growth of national income.

Generally speaking, a factor is an event or process that affects positively or adversely another event or process. In this case we are dealing with factors that positively influence the growth in national income. There are many such factors, but they can be divided into two principal groups: extensive and intensive. An extensive factor in the growth of the generation of national income and the entire gross national product is an increase in employment in the sphere of material production as well as in the labor expended in that sphere. This is linked to the creation of new jobs in sectors of the national economy. But there is a limit to this factor. This limit is particularly tangible at the present stage of development of our country, in view of the decline in population growth and able-bodied manpower. This problem will, in all likelihood, grow even more acute in the near future until 1995. Hence, the role of the intensive factors in the growth of national income will become markedly greater.

An intensive factor is the increase in the generation of national income owing to a more efficient utilization of the work force and the production of greater output without an increase in employment. This is possible to accomplish on the basis of technological progress and refinements in the organization of production and labor. In the final analysis, the intensive path toward generating a larger national income is based on increasing the productivity of socially useful labor. There is no limit to this factor. The progress of science and technology and the application of their achievements to the production process are continual and systematic, and labor productivity grows on this basis. Given the current state of the development of productive forces, precisely this path is paramount and most important. Hence ensues our party's course toward intensifying in all ways the intensive factors in the growth of socialist production.

The foregoing raises a question of theory--what is the nature of the effect of extensive and intensive factors on the material and value composition of national income and gross national product? Here we construe the extensive factor as the increase in labor expenditures during the process of material production and the intensive factor as the increase in labor productivity.

The increase of employment in the sphere of material production as well as in the attendant labor expenditures results in an increase in both the value and the physical volume of national income and gross national product, whereas the increase in labor productivity results in increasing only the physical

volume of national income and gross national product. From this can be drawn an important theoretical conclusion: the material composition (physical volume) of national income grows at a much faster rate than its composition by value.

This is a logical process. This means that each unit of value of national income is, owing to the growth of labor productivity, equivalent to an increasingly larger physical volume of national income. In other words, each unit of value of national income acquires an increasingly larger "envelope" consisting of the material-natural composition of national income.

As was pointed out above, the value of the gross national product is divided into the value of the expended means of production created by past labor and the newly created value. It is worth noting that a logical process of a gradual increase in the share of past, materialized labor and decrease in the share of human labor in the overall value of the gross national product is taking place. This stems from the operation of the law of the growth in labor productivity. K. Marx points out that the increase in labor productivity manifests itself in a gradual increase in the share of past labor and decrease in the share of human labor. And indeed, when labor productivity increases, the same amount of human labor produces a greater amount of output, whereas the increase in output entails a corresponding increase in raw and other materials, fuel, etc, that is, in it requires a greater amount of the means of production in which past labor is materialized.

Of course, an increase in the share of past labor, and a decrease in the share of human labor, in the value of gross output does not mean that the extent of past labor, in absolute figures, increases per output unit. On the contrary, the rise in labor productivity reduces overall expenditures of both past labor and human labor. But then this reduction is slower for past labor than for human labor. This accounts for the decrease in the share of human labor in the overall value per output unit and in the value of gross national product.

Letters from the readers fairly often express the assumption that the need for human labor will disappear in the future owing to the development of robot-controlled instruments of production and the unusual spread of electronics to every domain of human activity. This is not a correct assumption. Actually, both the instruments of production and the various types of robots and the spread of electronics to every domain of human activity, and the like, do not and sometimes cannot preclude the application of human labor. Without human labor these means of production cannot be developed and, the more so, put into operation. Only human rather than materialized labor plays and will continue to play an active role in the creation of material blessings. Therefore, the gradual decrease in the share of human labor and increase in the share of past labor in the overall volume of output hardly implies any possible disappearance of human labor. Without human labor no type of production exists or can exist.

Letters from the readers also express puzzlement as to why national income should increase at a faster rate than gross national product. And indeed, national income does and should grow at a faster rate than gross national product, as is confirmed by reality. In our country gross national product increased by a factor of 91 between 1918 and 1976 whereas generated national income increased by a factor of 98. Between 1941 and 1980 these indicators increased correspondingly by a factor of 13.6 and 14.1, respectively.

National income grows more rapidly than gross national product owing to savings of means of production--raw and other materials, etc. Since the extent of national income is determined by subtracting material expenditures from gross national product, the greater the savings of means of production are, the less has to be subtracted from gross national product and consequently, all other conditions being equal, the higher national income becomes. Hence, the faster growth of national income compared with the growth of gross national product is due to material economies.

Of course, unless systematic and consistent work on the conservation of materials is pursued, unless raw and other materials and fuel and energy are spent economically, and unless machinery and production equipment are operated at full capacity, the share of the depreciation of all these materials in production cost increases--and then the growth rate of national income may lag behind that of gross national product. But then already this is no longer a positive production indicator. Hence our party always demanded and demands of work collectives that they focus attention on improving the utilization of means of production. The struggle to operate production equipment at full capacity, conserve raw and other materials and utilize more efficiently the available manpower, material and financial resources is the direct duty of every worker in our country.

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INDUSTRIAL DEVELOPMENT AND PERFORMANCE

ECONOMIC, SOCIAL DEVELOPMENT PLAN FOR 1983 OUTLINED

Moscow PLANOVoye KHOZYAYSTVO in Russian No 1, Jan 83 pp 14-19

[Article: "The State Plan of the Third Year of the Five-Year Plan"]

[Text] The 7th session of the USSR Supreme Soviet enacted the Law Concerning the State Plan for Economic and Social Development of the USSR During 1983. The Plenum of the CPSU Central Committee held on the eve of the session adopted a developed decree which envisions effective measures for organizing the fulfillment and overfulfillment of the plan. General Secretary of the CPSU Central Committee, Yu. V. Andropov gave an in-depth analysis of the condition of the economy. The tasks set in it for improving planning and raising the level of administration and creative energy of the masses are exceptionally important for stepping up the work in all areas of economic construction, strengthening planning and labor discipline and improving the style of work in each working position. In his speech, Yu. V. Andropov also named other problems and issues on whose successful resolution further development of the economy depends.

The 1983 plan was drawn up taking into account the results of the development of the economy in 1982 and during the two years of the five-year plan. During this period the USSR national economy advanced significantly on the path to solving the main socio-economic problems of the 11th Five-Year Plan. This is reflected in the rapid growth of the economy and all its branches, the increased efficiency of production and its intensification, and the consistent implementation of the party's social program that was earmarked by the 26th CPSU Congress.

The generalizing indicator of the development of the economy--the national income, which is used for consumption and accumulation--reached 460 billion rubles in 1982, having increased by 9 billion rubles or 1 percent as compared to the preceding year. During the two years of the five-year plan the national income increased by more than 20 billion rubles or by 5.3 percent. Significant success was achieved in the development of all branches of the national economy. The volume of industrial production increased during the two years by 6.3 percent and exceeded 722 billion rubles (in wholesale prices and rates as of 1 January 1982), including a 2.8 percent increase in 1982. Machine building and the gas, chemical and petrochemical industries developed at accelerated rates. There was an increase in the output of products from the majority of

branches of the fuel and energy complex, the food industry and light industry, and enterprises that produce goods for cultural and personal purposes and household use. The main indicator of production efficiency, labor productivity, increased by 2 percent, and three-fourths of the increase in output was achieved as a result of this.

The material and technical base of agriculture continued to grow stronger. We used 37 billion rubles of state capital investments for its development; deliveries of technical equipment and mineral fertilizers increased, new animal husbandry farms and complexes as well as structures for storing silage and haylage were put into operation; and the area of irrigated and drained land increased. This made it possible, in spite of unfavorable weather conditions in a number of regions of the country, to increase the gross agricultural output by 3 percent. There was an increase in the production of grains, seeds of oil-bearing crops, sugar beets, potatoes, vegetables and fruits. A fairly good cotton crop was raised. The 1982 indicators for the production of dairy products and eggs were surpassed.

A large program for capital construction was carried out. As a result of state capital investments in 1982 fixed capital in the amount of 180 billion rubles was introduced, or 5 billion rubles more than in 1981. We put 10,300 kilometers of main gas lines into operation, including Urengoy-Novopskov and Torzhok-Ivantsevichi. Construction is being completed on the Urengoy-Petrovsk gas line. Rates of construction are increasing on the export gas line Urengoy-Pomary-Uzhgorod. On the BAM rails have been laid on 2,700 kilometers of the overall distance of the road which is 3,500 kilometers.

In keeping with the decisions of the 26th CPSU Congress, new measures have been implemented for raising the standard of living of the people. In 1982 alone wage rates and salaries of workers and employees in the mining industry and mining construction were increased in the Donets, Kuznets, Karaganda, Ekibastuz and Pechora Basins. A number of oblasts continue to introduce playments to workers for length of service. Additional benefits were established for payment to workers in light industry and the fish industry. Granting women who are working and studying with leave from production a partially paid leave to care for children until they reach one year of age and a one-time stipend in the amount of 50 rubles for the birth of the first child and 100 rubles for the birth of the second and third children was extended to all regions of the RSFSR, the Ukrainian SSR, the Belorussian SSR, the Moldavian SSR and the Baltic republics.

The average monthly earnings of workers and employees increased by 2.6 percent during 1982 and by 4.8 percent during the two years of the five-year plan; wages for kolkhoz workers increased by 4 and 8.2 percent, respectively; and the public consumption funds increased by 5 and 9.4 percent, respectively. Last year 107 million square meters of overall space in residential buildings were constructed, and during the two years of the five-year plan--213 million square meters. Education, culture and public health continued to develop, and commodity turnover increased.

Still it should be noted that in terms of a number of the most important indicators the planned assignments for the first two years of the five-year plan were unfulfilled, mainly because up to this point the policy for increasing production efficiency and intensifying it is being implemented slowly. The immense existing reserves are not being adequately drawn into economic circulation, and therefore, as before, the plans are being fulfilled at the price of large expenditures and production outlays. A most important task is economical utilization of material resources which are at the country's disposal. "Today economy and a thrifty attitude toward the national wealth," said Yu. V. Andropov at the November (1982) Plenum of the CPSU Central Committee, "is a question of the feasibility of our plans. In carrying them out it is necessary to provide for an entire system of practical measures, primarily on the part of the USSR Gosplan and the USSR Gosstrib, the ministries and the departments. A large amount of work will have to be done by all party committees and party organizations."*

Severe measures must be taken against violators of executive discipline. During the 10 months of 1982 alone 14.7 billion rubles' worth of products were not delivered according to agreements. As usual, rail transportation which does not fulfill assignments for shipping cargos disturbs the normal operation of many enterprises.

A radical change must be made in capital construction, where the organization of work is still unsatisfactory. The shortages here which continue from year to year lead to underfulfillment of the plan for the startup of capacities. In many cases the quality of construction and installation work remains poor. Therefore to bring order into capital construction is one of the central national economic tasks.

The State Plan for the economic and social development of the USSR in 1983 was developed on the basis of assignments of the five-year plan and the socio-economic strategy of the CPSU which was approved at the 26th CPSU Congress. In order to carry out these assignments the plan envisions increasing production efficiency and its intensification. The productivity of public labor is to increase by more than 3 percent. As a result of this increase, 95 percent of the increase in national income is to be achieved, 91 percent of the increase in industrial output and all of the increase in production in agriculture, transportation and capital construction. An indispensable condition for achieving these indicators is the fulfillment of the production volumes earmarked by the plan for the corresponding branches. In 1983 there should be a savings on fuel, rolled ferrous metals and also a considerable number of other resources.

Measures earmarked by the plan for increasing the efficiency of production will make it possible to increase the growth rates of the branches of material production and the absolute growth of the most important indicators of the development of the national economy. The national income which is used for consumption and accumulation will increase by 3.3 percent or by 15 billion rubles as compared to 9 billion rubles last year; the volume of industrial production will increase by 23 billion rubles as compared to 20 billion rubles in 1982. Effective management will make it possible to use almost all of the increase in national income for consumption.

*PRAVDA 23 November 1982.

As in the past, main attention has been devoted to the development of industry. The volume of production of industrial products should increase by 3.2 percent and reach 745 billion rubles (in prices of 1 January 1982). This envisions more rapid growth rates of the production of consumer goods (group B of industry)--3.5 percent as compared to 3.1 percent for the production of means of production (group A of industry).

Machine building, the chemical and gas industry and also branches related to implementing the Food Program will develop at more rapid rates than industry as a whole. The main assignments for developing the fuel and industry complex are characterized by the indicators presented in the table.

Table.

	Production Volume		
	1980	1983 (plan)	1983 in percentage of 1980
Electric energy, billions of kilowatt-hours	1294	1405	108.6
Petroleum and gas condensate, millions of tons	603	619	102.7
Natural gas, billions of cubic meters	435	529	121.6
Coal, millions of tons	716	723	101.0

In order to achieve the volumes of extraction and production of fuel and energy resources earmarked by the plan, it is necessary to accelerate the construction of atomic electric power stations, petroleum and gas lines and also electric power transmission lines, and to build up petroleum and gas industries and purification areas. In 1983 Western Siberia will provide for the entire increase in petroleum extraction and compensate for capacities that have been withdrawn in other petroleum extraction regions. The extraction of petroleum (including gas condensate) in Western Siberia will increase by almost 18 million tons and will reach 372 billion tons, or 60 percent of the overall extraction of petroleum in the country and 51 percent of the gas extraction.

Significant increase in the production of construction materials and improvement of their structure have been earmarked. The output of rolled ferrous metals will amount to 106.5 million tons, which is 2.5 million tons more than in 1982. The output of economical kinds of rolled metal will increase by much larger amounts: rolled sheet metal and thin coated plates--by 32 percent, rolled metal from low alloy steel--by 19 percent, rolled metal with thermal tempering--by 17 percent, cold rolled steel strips--by 14 percent, and cold

rolled sheet metal--by 13 percent. The planned volume of production of construction materials, taking into account economizing on them, will make it possible to satisfy the needs of the national economy and export needs.

Based on the need to raise the technical level of all branches of the national economy, it is intended to increase the output of machine building and metal processing products by 4.8 percent. Moreover, the manufacture of gas pumping aggregates for main gas lines will increase by 22 percent and automatic manipulators with programmed control, 1.8-fold (7,700 of them will be produced in 1983).

The production of agricultural machinery will increase by 8.4 percent. In keeping with the Food Program, volumes of output have been established for machines for mechanization of animal husbandry and feed production, and also technological equipment for the food branches of industry. The Ministry of Agricultural Machine Building, the Ministry of Machine Building for Animal Husbandry and Fodder Production, the Ministry of Machine Building for Light and the Food Industry and Household Appliances and other machine building industries must take effective measures to improve the quality and reliability of the technical equipment they produce, to accelerate the introduction of new technical equipment and to satisfy the demand for spare parts more fully.

Machine tool builders must do a great deal. The efficiency of the operation of all machine building branches, as we know, depends largely on the level of development of machine tool building and the structure of the selection of equipment they produce. But there are still many omissions in the work of machine tool builders. They are slow in developing modern machine tools and automated lines and they take a long time to assimilate their production, and their technical level is also frequently lower than that of the best domestic and world models. The proportion of forge-pressing machines that make it possible to reduce metal wastes and increase labor productivity is still small in the overall output of products.

The plan has established assignments for the output of consumer goods. Thus in light industry the volume of production of these is to increase by 2.7 percent, with an expansion of the output of products that are in especially great demand among the population, including bed linen, raincoats, overcoats and jackets made of mixed fabrics, and sports footwear. The production of goods for cultural and domestic purposes and household use will increase by 8 percent. There will be an increase in the output of color television sets, large refrigerators and other products.

In keeping with the decisions of the May (1982) Plenum of the CPSU Central Committee, the basic assignments have been envisioned for the agro-industrial complex. There will be 47 billion rubles' worth of capital investments in its development, or 4.3 percent more than last year. Capital investments in the construction of vegetable and fruit storage facilities will increase by 23 percent. Agriculture will receive a large quantity of motor vehicles, tractors and trailers for them, more modern combines and machines for mechanizing animal husbandry, and other technical equipment. Deliveries of mineral fertilizers will amount to 22.8 million tons. The earmarked volume

of gross agricultural output--137.3 billion rubles--is to be achieved through increasing the productivity of all kinds of crops and animal husbandry on the basis of efficient utilization of land, technical equipment and labor and material resources.

The food industry occupies an important place in the implementation of the Food Program. In 1983 meat production will increase by 6.1 percent, animal fat--by 8.4 percent, cheese--by 6.8 percent, and canned goods--by 4 percent. There will be an increase in the output of products that are ready for consumption, semimanufactured goods, and culinary and sausage items.

The large role in the fulfillment of the assignments in the branches of material production is assigned to transportation. Cargo turnover of all kinds is to increase by 3.6 percent, that is, by more than industrial production and the national income. Considerable capital investments are being made in the development of transportation. Its workers are faced with a most crucial task--to utilize all resources efficiently and to arrange close contacts with the recipients and dispatchers of cargo in order to provide for prompt delivery and unloading of cars and ships and continuous operation of the transportation conveyor.

Workers in capital construction will have to carry out important tasks this year for increasing production capacities in all branches of the national economy and introducing facilities in the nonproduction sphere. The overall volume of capital investments will amount to 144.8 billion rubles, which is somewhat more than the assignments of the five-year plan for this year. The volume of construction and installation work, based on material resources and the capacities of contracting organizations, is earmarked in the amount of 71 billion rubles, that is, at the 1982 level.

The plan envisions a complex of measures for increasing the effectiveness of capital investments: the proportion of expenditures on equipment will increase to 42.1 percent as compared to 39.1 percent earmarked by the five-year plan for this year; there will be a 10 percent increase (to 24 billion rubles) in funds used for technical re-equipment and reconstruction of existing enterprises; the amounts of money allotted for startup facilities will be greater than in 1982; and the volume of incomplete construction and the number of newly started construction products will decrease. These measures will make it possible in 1983, as a result of state capital investments which will increase by 4.4 percent, to put into operation fixed capital in an amount of 125.4 billion rubles, or 5.9 percent more than in 1982. Workers of construction ministries must raise the level of organizational work and discipline in construction organizations; this is necessary in order to increase the country's production potential.

An important place in the plan is allotted to the development of science and technology, especially the creation of new technical equipment and technological processes that provide for economizing on labor and material resources and improving product quality. The financing of scientific research work will amount to 25.5 billion rubles or 6.2 percent more than in 1982. The allotment of significant amounts of money, comprising 5.4 percent of the national income,

on scientific research critically raises the question of increasing the efficiency of the activity of scientific organizations, which, in a number of cases, is extremely low. The implementation of this task should be at the center of the attention of ministries and departments.

In 1983 we shall continue to implement the measures earmarked by the 26th CPSU Congress for improving the well-being of the workers. The real per capita income will increase by 3.1 percent (as compared to a 1.8 percent average annual increase during the two years of the five-year plan). The average monthly earnings will increase to 180.4 rubles, and the earnings of kolkhos workers--to 130 rubles. Large amounts of money are being invested in increasing wages on sovkhozes and other state agricultural enterprises in Siberia, the Far East, the Ural area and the Central Chernozem Region and the Nonchernozem zone of the RSFSR. Throughout the territory of the country working mothers are being granted partially paid leave to care for children until they reach the age of 1 year and a one-time stipend for the birth of a child. In the regions of the Far East, Siberia and the North of the USSR a temporary stipend will be paid for children of needy families with an average income of up to 75 rubles a month; other additional benefits are also being established. Public consumption funds will increase by 4.7 percent in 1983 and reach 134 billion rubles. The repayment of internal state loans will continue.

In keeping with the growth of income, retail commodity turnover will increase by 5.4 percent and amount to 314.6 billion rubles. As before, housing construction will be carried out on a large scale. Residential buildings with an overall space of 106.6 million square meters will be introduced, which will exceed the assignment of the five-year plan for this year. There will be a considerable expansion of cooperative construction (from 5.3 million square meters in 1982 to 7.9 million in 1983). Members of housing construction cooperatives will be granted additional benefits: the initial deposit has been reduced from 30-40 to 20-30 percent of the value of the apartment, the time period for repaying credit has been increased to 25 years, and other benefits have been established for individual groups of the population. There will be further development of education, culture and public health.

The volume of work for protecting the environment will be expanded, including for purifying the water, air and land of industrial discharges and wastes and for recultivation of the land. More than 1.9 billion rubles' worth of state capital investments are being allotted for environmental protection measures, and for all sources of financing--more than 8 million rubles. A number of ministries will begin to implement a special-purpose program for comprehensive utilization of the main kinds of mineral resources.

The plan envisions the development of all union republics and economic regions of the USSR. And there will be further development of economic cooperation with the sister socialist countries; their proportion of the USSR foreign trade turnover will reach almost 58 percent. Coordinated production relations will continue.

The implementation of the plan for 1983 will be a large contribution to the economic and social progress of our state. It should become not only a quantitative, but also a qualitative stage in the development of the economy, primarily in overcoming individual shortcomings in economic construction and administration of the economy which were discussed in the speech at the November (1982) Plenum of the CPSU Central Committee by General Secretary of the CPSU Central Committee Yu. V. Andropov. In order to carry out the tasks that have been set, the methods and practice of planning, organization of the fulfillment of the plan, responsibility for satisfying the needs of the society, the search for and utilization of all reserves of the national economy and the creative activity of the working masses must be raised to a new level. This will be a firm foundation for successful fulfillment and overfulfillment of the assignments of the state plan for 1983.

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INDUSTRIAL DEVELOPMENT AND PERFORMANCE

PROJECTIONS FOR 1983 ECONOMIC GROWTH

Moscow EKONOMICHESKAYA GAZETA in Russian No 50, Dec 82 pp 12-13

[Text] On Man's Behalf

Guarantee further social progress of society and accomplish the broad program for raising the prosperity of the people.

From the Basic Directions for the Economic and Social Development of the USSR Over the Period of 1981-1985 and up to the Year 1990, approved by the 26th CPSU Congress

Concern about the Soviet man, about his living and working conditions, about his spiritual development--is a most important programmatic principle of the party. Performance of the measures outlined by the 26th CPSU Congress to solve major social problems and raise the material and cultural level of living of the Soviet people will be continued in 1983.

The decisive source of the rising prosperity of the people--the country's national income--will reach 475 billion rubles in 1983. Practically the entire growth of the national income is being committed to augmenting the consumption fund. The share of that fund in the national income will rise to 76.3 percent in 1983.

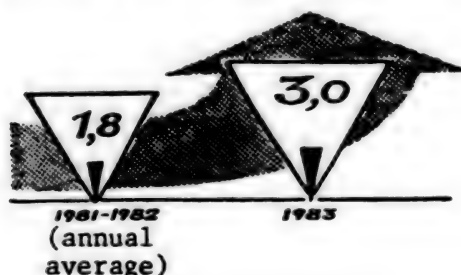
The growth of the consumption fund in the national income and the increase in the production of consumer goods and the volume of services will make it possible to increase real per capita income.

In 1983 appropriations for centralized measures to raise the prosperity of the Soviet people will amount to 7.3 billion rubles, as against 3.9 billion rubles in 1982. More than 2 billion rubles of this are being committed to measures in the field of remuneration.

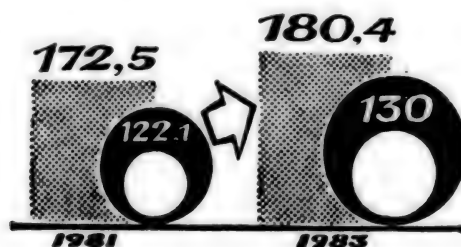
Improvement of public education, health care, social security and the social and cultural services extended to the workers is being achieved by the growth of social consumption funds. In 1982 their volume will reach 128 billion

rubles, and on a per capita basis payments and benefits from these funds will increase by 20 rubles.

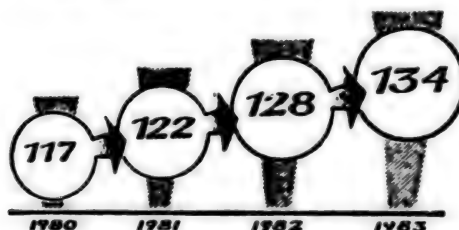
Growth Rates of Real Per Capita Income
(in percentages of the previous year)



Average Monthly Money Wage of Workers and Employees
and Remuneration of Kolkhoz Members (in rubles)



Growth of Social Consumption Funds
(in billions of rubles)



In the third year of the 5-year period social consumption funds amount to 135 billion rubles. State aid to families with children is increasing. Introduction of partially paid leave for working women to care for infants until they reach 1 year of age and payment of a lump-sum benefit to women at childbirth will be completed over the entire area of the country. Social security of the Soviet people is improving. Redemption of the bonds of state loans will continue.

One of the most important lines in the social welfare policy of the party and government is to improve the housing conditions of the population. Since the beginning of the 5-year period housing with a total floor space of more than 213 million square meters has been built. In 1983 approximately 10 million persons will improve their housing conditions.

In the average day at the present time in our country 5,500 housing units are opened to occupancy, or approximately as much housing as is necessary for a city with a population of about 60,000 every 3 days.

Principal Indicators of the USSR's Economic and Social Development in 1983
(growth relative to 1982, in percentages)

National income used for consumption and accumulation	3.3
Industrial output--total	3.2
Production of means of production	3.1
Production of consumer goods	3.5
State capital investments	4.4
Traffic volume on all branches of transportation	3.6
Number of workers and employees in the national economy	0.4
Labor productivity:	
In industry	2.9
In construction	3.5
In rail transportation	2.1
Profit from industrial activity	7.0
Real per capita income	3.0
Wage fund in the national economy	2.4
Social consumption funds on a per capita basis	4.0
Retail sales of state and cooperative trade	5.4
Volume of sales of consumer services to the public	6.8
Number of children in preschool institutions financed from the state budget	3.9
Number of pupils in extended-day schools and groups	4.9
Skilled workers graduating from vocational and technical educational institutions	1.5
Number of hospital beds	1.6

In 1983 housing with a total floor space of 106.6 million square meters will be financed from all sources.

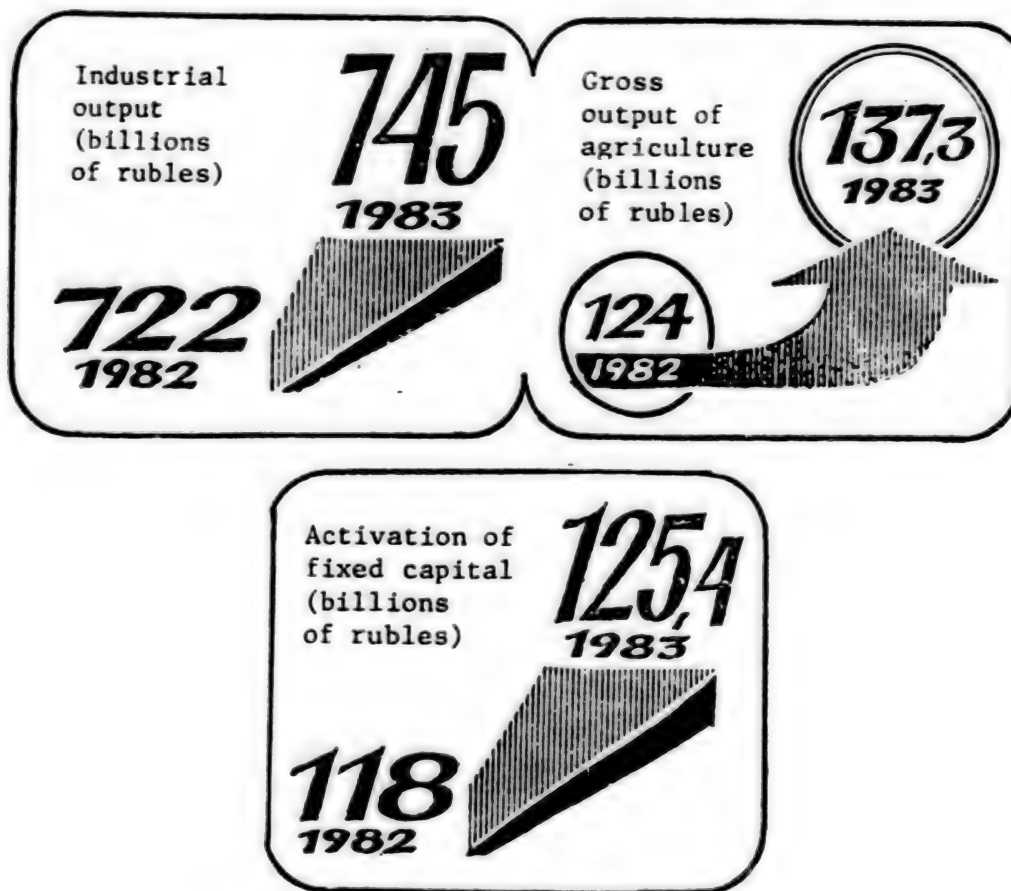
Source: From the USSR law entitled "On the State Plan for Economic and Social Development of the USSR in 1983."

We are approaching an important event in the history of our multinational socialist state--the 60th Anniversary of Formation of the Union of Soviet Socialist Republics. At this time the Soviet people are turning their best thoughts to our Leninist party, which was present at the creation of the USSR and which has been wisely leading the peoples of our country on the road of the construction of communism.

Strengthen the unity of the party and people, firmly follow the precepts of the great Lenin--that is the pledge of our future triumphs!

From the speech of Yu. V. Andropov, general secretary of the CPSU Central Committee, at the plenum of the CPSU Central Committee on 22 November 1982

Dynamic Growth of the Soviet Economy



The Rise of Efficiency

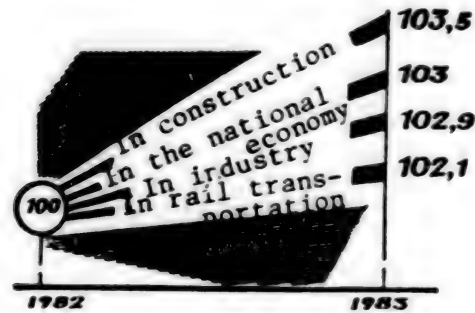
The plenum of the Central Committee calls the attention of party, soviet and economic and other organizations and work collectives to the need to apply all efforts to carrying out the most important task raised by the 26th party congress--greater intensification of social production and higher efficiency of the national economy.

From the decree of the November (1982) Plenum of the CPSU Central Committee

The strenuous assignments of the plan for 1983 are to be fulfilled with a comparatively smaller increase in physical inputs and labor resources. The task has been set of achieving higher indicators of production efficiency and of placing the economy more resolutely on the road toward intensification.

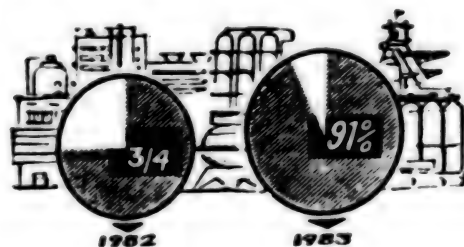
In the third year of the 5-year plan scientific research and project planning and design work is to undergo further development, and the scale of practical application of scientific and technical advances to production will increase.

**Growth Rates of Labor Productivity in 1983
(in percentages)**



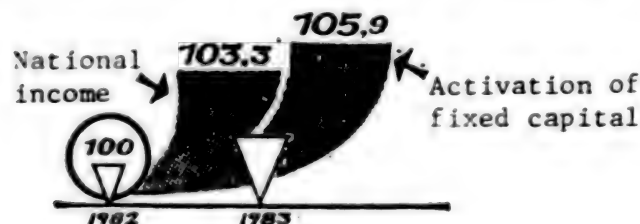
In all, about 4,000 new types of machines, equipment, instruments and materials are to be put into production in 1983. The state plan alone includes more than 300 assignments for introduction of new technology and measures to mechanize and automate production. Performance of measures related to scientific-technical progress will make it possible to save the labor of approximately 2.4 million persons, to make resources available by reducing the materials intensiveness of products, and to increase the revenues of the state.

**Share of the Growth of Industrial Output Achieved
by Raising Labor Productivity**



One of the important indicators of the intensification of production is the improved use of productive capacity. Higher assignments of the use of capacity have been envisaged in 1983 for a number of branches of industry by raising the shift coefficient of operation of equipment, by eliminating bottlenecks, and by improving the organization of production and the organization of work. The fixed capital of the economy is being updated at a faster rate.

**Growth Rates of the National Income and Activation of Fixed Capital
(relative to the previous year, in percentage)**



Valuable new initiatives born during nationwide competition for successful fulfillment of the assignments of the 5-year plan are becoming more widespread at the country's enterprises and construction sites. For instance, progressive collectives of Moscow and Leningrad have organized competition for ahead-of-schedule completion of personal and work-team plans. Work collectives of the Urals and Kuzbass are making a purposive effort to save on metal, fuel and energy resources; agricultural workers in Cherkassy Oblast are competing in increasing the output of animal husbandry.

A very important potential lies in optimum use of physical and labor resources. At the present time conservation, a thrifty attitude toward the resources of the people, is a question crucial to the realism of our plans.

The state plan for 1983 calls for the following assignments with respect to conservation of resources:

- i. to conserve approximately 4 billion rubles of primary raw materials (by using secondary raw materials);
- ii. to reduce production costs by 0.3 percent;
- iii. to make 1 billion rubles of working capital available by speeding up turnover;
- iv. to reduce rates of consumption for 55 basic raw materials, supplies, fuel and energy.

Industry and Construction

Socialist industry will have a leading role in carrying out the economic strategy of the CPSU. The state plan for 1983 allocates 177.8 billion rubles of capital investments, or approximately half of all investments in the physical sphere, to the financing of this sector.

The volume of industrial production in the third year of the 5-year plan is targeted at 745 billion rubles, as against 722 billion rubles in 1982. The following pace-setting growth rates have been outlined: 4.8 percent for the production of products of machinebuilding and metal manufacturing; in the chemical industry 9.1 percent for the production of synthetic resins and plastics and 9 percent for the production of chemical fibers and filaments; and the gas industry and branches related to carrying out the Food Program.

The plan pays a great deal of attention to the branches of the fuel and energy complex. In 1983 1,405 billion kilowatt-hours of electric power are to be generated. Petroleum and gas condensate production will reach 619 million tons, gas production 529 billion cubic meters, and coal production 723 million tons.

The economy of the country's eastern regions is developing at an accelerated pace. In West Siberia 372 million tons of petroleum will be extracted, or 60 percent of total national production. The gas produced there will represent 51 percent of all the gas produced in the country.

In 1983 a large construction program is to be carried out. Capital investments from all sources of financing amount to 144.8 billion rubles. At the same time activation of fixed capital will increase 5.9 percent, while state capital investments will increase 4.4 percent.

The volume of traffic in all branches of transportation is to increase 3.6 percent according to the plan for 1983. The appropriation for development of the productive capability of rail, maritime, river and other branches of transportation, as well as communications enterprises, is 28.9 billion rubles.

The Agroindustrial Complex

Assignments for development of the branches of the agroindustrial complex were drafted in accordance with the 5-year plan and the Food Program. The total volume of resources allocated for development of APK [agroindustrial combines] will reach 126.9 billion rubles. Capital investments in the agroindustrial branches are planned in the total amount of about 47 billion rubles.

The central link in the Food Program is the further growth of agriculture and the strengthening of its physical and technical capability on the basis of chemicalization, reclamation, and full mechanization and industrialization of production. The gross output of agriculture according to the plan for 1983 will be 137.3 billion rubles, which is 13 billion rubles more than in 1982.

Material and technical supply of agriculture will increase substantially. The sales of USSR Goskomsel'khoztekhnika and Soyuzsel'khozkhimiya will be 26.7 billion rubles in 1983.

In 1983 9.9 billion rubles are to be spent for reclamation projects. State capital investments will be used to finance activation of 676,500 hectares of irrigated land, to drain 714,600 hectares, and to provide water to pastures over an area of almost 4 million hectares.

Capital investments for development of the Nonchernozem Zone of RSFSR will amount to 8.5 billion rubles.

The budget has allocated 16 billion rubles to raise purchase prices of farm products as of 1 January 1983. A sizable portion of these funds is being used to strengthen economically weak kolkhozes and sovkhozes.

The food industry has an important role in carrying out the Food Program. In 1983 meat production will increase 6.1 percent, butter production 8.4 percent, cheese production 6.8 percent, and canned goods production 4 percent.

Socialist competition aimed at carrying out the country's Food Program has developed in the work collectives of enterprises in the agroindustrial complex.

INDUSTRIAL DEVELOPMENT AND PERFORMANCE

SOVIET ECONOMIC GROWTH DETAILED, CONTRASTED WITH U.S. GROWTH

Moscow ZHURNALIST in Russian No 12, Dec 82 pp 54-55

[Text] From the standpoint of the basic strategic goal of the party's economic policy, the most important result of the USSR's economic development in the 8th to the 10th Five-Year Plan is the doubling of the productivity of social labor and the corresponding growth of per capita real income. The national income produced more than doubled, industrial output increased more than 2.5-fold, and agricultural output increased by more than one-third. Fixed productive capital, which comprises the major portion of the country's national wealth and its productive potential, increased at a pace-setting rate--more than three-fold.

Principal Indicators of the USSR's Economic and Social Development Over the Period 1965-1980

<u>Indicator</u>	<u>1970/ 1965, %</u>	<u>1975/ 1970, %</u>	<u>1980/ 1975, %</u>	<u>1980/ 1965, %</u>
Gross social product	143	136	123	238
National income produced	145	132	124	236
Industrial output	150	143	124	268
Agricultural output	123	103	108	136
Fixed productive capital of all sectors of the economy	148	152	143	319
Productivity of social labor	139	125	117	203
Real per capita income	133	124	118	195

A certain slowing down of the growth rates of economic indicators, which is evident in the table, calls for a correct interpretation, including an interpretation in the press. It needs to be borne in mind that every percentage point of growth is year by year becoming, first, considerably more weighty, and second, it is demanding ever greater efforts and outlays on the part of society. To be specific, it is precisely this latter circumstance that has dictated the need for very rapid completion of the economy's transition to intensive development. The state is investing huge resources in economic development. A comparison of figures characterizing the growth of fixed productive capital, national income and labor productivity clearly shows the kind of large and decisive significance which the rise of production efficiency and

economical and thrifty conduct of economic activity have. The productive potential created by the labor of the people is making it possible to achieve considerably larger results at lower cost.

The growth rates of the Soviet economy and its dynamism take on particular vividness in comparative assessments.

Over a period of 10 years (1970-1980) per capita industrial output rose 63 percent in the USSR and 26 percent in the United States; over that same period labor productivity rose 56 percent in the USSR and 28 percent in the United States.

If we take the last 30 years (1951-1980), then the average annual absolute growth of production has been as follows in the USSR and the United States:

<u>Indicator</u>	<u>USSR</u>	<u>United States</u>
Electric power (gross output), billions of kwh	40.1	69.0
Petroleum (including gas condensate), millions of tons	18.8	5.4
Coal (commercial), millions of tons	13.2	9.2
Cast iron, millions of tons	2.9	0.1
Steel, millions of tons	4.0	0.5
Cement, millions of tons	3.8	1.3
Cotton fabrics, millions of square meters	144.0	-154.0
Woolen fabrics, millions of square meters	19.0	-15.0
Leather footwear, millions of pairs	18.0	-4.4
Granulated sugar (from domestic raw materials), thousands of tons	136.0	56.0

The average annual growth of production expressed in physical terms has been lower in the United States for most products, and for certain it has even been a negative quantity. But this table would be incomplete if we did not compare today's absolute figures.

Per capita output in 1981 in the USSR and United States:

<u>Indicator</u>	<u>USSR</u>	<u>United States</u>
Electric power (gross output), kwh	4,953.0	10,879.0
Petroleum (including gas condensate), kg	2,274.0	1,828.0
Coal (commercial), kg	2,382.0	3,038.0
Steel, kg	554.0	485.0
Cement, kg	475.0	331.0
Cotton fabrics, square meters	27.0	18.0
Woolen fabrics, square meters	2.9	0.9
Leather footwear, pairs	2.8	1.7
Granulated sugar (from domestic raw materials), kg	22.0	22.0
Meat (carcass weight), kg	57.0	117.0
Milk, kg	332.0	261.0

By comparison with 1950 retail sales in the USSR had increased tenfold by 1981, nearly sevenfold in per capita terms; in the United States the respective figures were twofold and 1.5-fold. By comparison with 1970 per capita retail sales increased 60 percent in the USSR and 13 percent in the United States.

One of the most important factors in a country's economic development and in the intensification of its production is scientific-technical progress. Technical improvement of production and the growth of the scientific potential in the USSR over the last three 5-year periods are characterized by the figures given below.

Outlays for science from the state budget and other sources were as follows: 46.4 billion rubles in the 8th Five-Year Plan, 77.0 billion rubles in the 9th, and 97.0 billion rubles in the 10th. The number of scientists more than doubled over that time. The economic benefit from the use of inventions increased from 158 million rubles in 1965 to 2,481 million rubles in 1980, that is, nearly 16-fold.

Technical Progress in Industry

<u>Indicator</u>	<u>Five-Year Plan</u>		
	<u>8th</u>	<u>9th</u>	<u>10th</u>
Production equipment modernized (thousands of units)	675	732	812
Automatic control systems created	414	2,309	2,374
Mechanized flow lines and automatic production lines in operation (as of 1 July of the respective year)	100,398 (1971)	131,180 (1975)	172,673 (1981)

In 1965 there were 1,906 fully mechanized and automated enterprises, and in 1981 there were 6,479.

Technical Progress in Agriculture

Mechanization of Operations in Field Cropping (in percentages of the total volume of the respective operation)

<u>Indicator</u>	<u>1965</u>	<u>1970</u>	<u>1975</u>	<u>1981</u>
Potato harvesting with combines	11	24	42	42
Loading of potatoes	9	24	46	62
Stacking of hay	49	69	71	81
Cotton picking	22	32	43	58

The principal field operations (plowing, the planting of grains, cotton and sugar beets, the harvesting of grain and silage crops) have been fully mechanized. Mechanization is close to completion for the planting of potatoes, interrow cultivation of crops of sugar beets, corn, and cotton, as well as hay mowing, the cleaning and loading of grain, and so on.

Mechanization of Operations in Animal Husbandry

(Cattle farms and complexes have been taken as an example; the table below shows the level of mechanization in percentages of the total number of animals.)

<u>Indicator</u>	<u>1965</u>	<u>1970</u>	<u>1975</u>	<u>1981</u>
Milking of dairy cows	27	56	83	91
Watering	53	68	81	91
Feeding	3	12	29	47
Removal of manure from barns	9	30	56	77
Full mechanization	--	9	25	45

The technical adequacy of agriculture has taken a large step forward over the last three 5-year plans. At the same time a number of problems have remained urgent, such as ultimate elimination of heavy manual labor, full mechanization, the quality and productivity of equipment and its skillful and stewardly use.

It is very important to higher production efficiency that enterprises have greater economic (including cost accounting (khozraschet)) independence, which is expanding simultaneously and in close connection with intensified centralization of management of the economy and a strengthening of planning discipline.

In 1965 30 percent of all the profit realized by state enterprises and organizations was left at their disposition, and in 1981 this figure was 42 percent; transfers to economic incentive funds represented 6 percent of the total amount of profit in 1965 and 17 percent in 1981. Profit itself in the national economy as a whole (in comparable prices) increased over that period more than fourfold, and the size of resources used from economic incentive funds increased almost 12-fold.

The size of capital relative to the number of industrial production personnel almost doubled over the last 10 years.

These are only a few examples which show on the one hand the growth of potential and on the other the greater responsibility of economic managers and collectives for the results of their work.

Profitability of Industrial Enterprises (all money accumulation--profit, the turnover tax, etc.--in percentages of the value of fixed productive capital and physical working capital)

<u>1960</u>	<u>1965</u>	<u>1970</u>	<u>1975</u>	<u>1980</u>	<u>1981</u>
45.1	34.8	35.8	28.0	24.7	23.8

The decline in profitability has been affected by the fact that in many cases we are not yet obtaining the requisite return from the rapidly growing fixed productive capital, from capital investments, and the rise in remuneration of

labor is not always playing the role it should as an incentive. Solving these problems has paramount importance to ensuring that the final results from the standpoint of the national economy increase faster than the rise of labor and physical inputs.

The figures given vividly show that the acceleration of scientific-technical progress, the fuller and more efficient use of the productive potential and resources of all types, and improvement of qualitative indicators of operation, including economic indicators, are a most important task of the day. Referring to statistical data will help the journalist to get a better conception both of our economy's achievements and prospects and also of its key problems.

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REGIONAL DEVELOPMENT

REPUBLIC FINANCE MINISTERS SUMMARIZE PROGRESS

Azerbaijan Data

Moscow FINANSY SSSR in Russian No 10, Oct 82 pp 3-7

[Article by B.G. Bakhshaliev, Minister of Finance of the Azerbaijan SSR: "In Fraternal Banks": for related material see JPRS 82633, 13 Jan 83, No 1035 of this series pp 22-42]

[Text] Like all of the peoples of our homeland, the Azerbaijan people has been celebrating the 60th anniversary of the USSR with enormous creative enthusiasm.

The history of the creation and of the rapid flourishing of the five-times order-bearing Azerbaijan SSR is a graphic testimony to the practical embodiment of Lenin's ideas and of Lenin's nationalities policy. In a brief historical period, under the leadership of the Communist Party of Azerbaijan and with the assistance of and in close alliance with the other fraternal republics, the Azerbaijan SSR has been transformed from a backward outlying district of Tsarist Russia into an advanced socialist republic--the forepost of socialism at the country's eastern borders.

Azerbaijan today is a republic of advanced industry, mechanized agriculture, and highly developed culture and science. Compared to 1922, in 1981 the volume of industrial production increased here by 138 times, and gross agricultural output by 12.3 times. Today 350 products which are produced in Azerbaijan are shipped to 80 countries. They include not only the traditional petroleum products and petroleum field equipment, but also the output of the chemical, petrochemical, electrical engineering, and radio engineering industries and of machine building. Whereas in 1922 we produced 0.2 billion kilowatt-hours of electric energy, in 1981 we produced almost 15 billion kilowatt-hours; that is, eight times more than all of pre-revolutionary Russia.

The 9th and 10th Five-Year Plans were a period of the rapid flowering of the economy and culture of Azerbaijan. For 12 years in a row our republic has been winning the Red Challenge Banner in the All-Union socialist competitions. In 1980 the Azerbaijan SSR was awarded its third Order of Lenin for an advanced fulfillment of the assignments of the 10th Five-Year Plan.

Compared to 1970, in 1981 the production of industrial output increased by almost 2.4 times, and gross agricultural output by 2.2 times. During the same

period fixed productive capital doubled. During the 10th Five-Year Plan alone industrial output worth 40 billion rubles was produced, and agricultural output came to 10 billion rubles. Consolidating what has been achieved, in 1981 our agricultural workers obtained record harvests.

There has been a sharp increase in the profitability of kolkhoz and sovkhoz production: in 1975 it had already reached 21 percent in the kolkhozes and 24 percent in the sovkhozes; in 1981 it was 38 and 35 percent, respectively. During the 10th Five-Year Plan the income of the kolkhozes and sovkhozes reached almost 2 billion rubles, 2.2 times more than the 9th Five-Year Plan, and 5.2 times more than in the 8th Five-Year Plan.

The development of agriculture has been accelerated first of all thanks to intensive factors--an increase in the yields of agricultural crops and the productivity of livestock. Compared to 1969, in 1981 the yields of grain crops increased by 2.6 times, raw cotton by 2.4 times, and grapes by 2.3 times. It should be noted that before the revolution even during the most favorable weather years the average yields of grain and cotton in Azerbaijan did not exceed 6-7 quintals, and of grapes--25-30 quintals. A great deal of attention is also being devoted in the republic to the development of animal husbandry. During the 1970s around 100 large animal husbandry complexes and industrial type poultry factories were built and put into operation, as were hundreds of feed shops and feed plants. During 1969-1981 the production of meat on the kolkhozes, sovkhozes, and interfarm enterprises increased by 1.7 times, milk by 2.6 times, and eggs by 3 times. By the beginning of the new 5-year plan the loss-bearing nature of animal husbandry had been completely overcome in the republic.

A large capital construction program has been carried out in the republic. From 1922 through 1981 capital investments in comparable prices exceeded 34 billion rubles. Hundreds of large enterprises have been built and put into operation: the Sumgait and Kirovabad imeni the 50th Anniversary of the USSR Aluminum Plants, a complex of chemical productions in Sumgait, a household air conditioner plant in Baku, the Novo-Baku Petroleum Refining Plant, and others. Housing construction is being conducted intensively in the cities and villages; since the revolution 52.2 million square meters have been put into operation. During the 9th, 10th, and the first year of the 11th Five-Year Plan almost 1.7 million people, every fourth person in the republic, improved their housing conditions.

The victory of Soviet power in Azerbaijan and Azerbaijan's entrance in 1922 into the fraternal family of Soviet socialist republics changed the socio-economic conditions of the life of the workers in a fundamental way. New cultural centers have been created, cities and villages have been transformed beyond recognition, and an enormous amount of work has been carried out in the field of education, health care, social insurance, and social security. Since 1970 the national income of the Azerbaijan SSR has increased by more than 2.5 times and in 1981 came to 9.65 billion rubles. The population's real income during this period increased by 46 percent, and the payments and benefits received by them from the social funds doubled.

The State Budget of the Azerbaijan SSR has played an invaluable role in the socialist transformation of the republic. During all of the periods of socialist construction the agencies of the financial system have ensured the mobilization of the necessary monies and the punctual financing of measures stipulated by the economic and social development plans.

With the development of its economy, Azerbaijan's financial resources grew. During the pre-war 5-year plans the republic's budget increased by 12 times. During the 1st and 2nd Five-Year Plans 282.3 million rubles (in comparable 1961 prices) was assigned from the republic and local budgets to the economy and for financing social and cultural measures. The republic's budget has undergone especial growth during the past decade: income--from 1,520,400,000 to 2,540,000,000 rubles, or a growth of 67 percent; compared to 1940, a growth of 22.6 times in 1981. Substantial resources have been mobilized from the republic's budget in order to accomplish economic and social development tasks: in the 7th Five-Year Plan--4.3 billion, 8th--6.9 billion, 9th--8.2 billion, and in the 10th Five-Year Plan--11.1 billion rubles.

The dynamic development of the branches of the economy not only increased the budget, but also changed the structure of its income and expenditures. Whereas in 1940 the proportion of income from the socialist economy in total income came to 81 percent, in 1981 it was 91.5 percent. Payments from the profits of enterprises and organizations and allotments from the turnover tax increased many times over, while, at the same time, the share of income tax decreased from 10 percent to 6.9 percent of income.

During the 7th Five-Year Plan the average annual budget expenditures of the Azerbaijan SSR reached 843.8 million rubles, and in the 10th Five-Year Plan it was almost 2.5 times as much. A palpable part of these expenditures were assigned during all of these years for a broad social development program. During the 10th Five-Year Plan alone 6.4 billion rubles were appropriated from the budget for social and cultural measures; compared to 1940, the expenditures for these purposes in 1981 had increased by 18 times.

In prerevolutionary Azerbaijan four-fifths of the population did not know how to read or write; now it has become a republic of complete literacy; 2.4 million people, every third person, is involved in some kind of education. Whereas before the revolution there were only 976 general educational schools here and 73,000 pupils, in 1981 Azerbaijan's 4,273 schools were attended by more than 1.5 million children, and the number of school teachers had reached 115,000 people. The republic has 18 VUZes and 76 secondary specialized educational institutions; before the revolution there were no VUZes at all here. In place of the 25 mass libraries of prerevolutionary Azerbaijan, today there are almost 4,000 of them. During the years of Soviet power a very large number of cultural and educational institutions have been opened in the republic: at the beginning of this year there were more than 3,200 clubs. Before the revolution an average of one ruble per year per inhabitant was allocated from the budget for health. During the last 10 years more than 2 billion rubles were appropriated for these purposes from the republic budget. There is a

widespread network of polyclinics, hospitals, sanatoriums, rest homes, and boarding homes. Local budgets play an important role in the social and economic development of the republic. They have been growing steadily. While in 1970 their total amount was 463.6 million rubles, in 1981 it was almost twice as much.

Of course, it was impossible to effect the gigantic socialist transformations in the republic solely on the basis of its own resources. Throughout all of the 60 years the economy and culture of Soviet Azerbaijan has developed in an inseparable connection with the development of all of the Soviet republics, in a single economic complex. During the pre-war years the country helped Azerbaijan to restore and reconstruct its petroleum industry. As a result, by the beginning of the war four times as much petroleum was being extracted in our republic as in 1913.

The decisions of the 26th CPSU Congress and of the 30th Congress of the Communist Party of Azerbaijan are being successfully implemented on the basis of a further expansion and strengthening of the friendly relations between our fraternal republics--production economic, socio-political, and cultural. Close work contacts are maintained by the collectives of the industrial enterprises and scientific and creative organizations of Azerbaijan and Moscow, Leningrad, the Dagestan ASSR, Astrakhan' Oblast, Ul'yanovsk and Volgograd, Rostov and Taganrog, Gagarin, Novgorod, and Tol'yatti. Patronage assistance by the workers of the Azerbaijan SSR for the construction workers of BAM and for the workers of Astrakhan and Tyumen Oblasts has received a wide development.

With each passing year the community of economic interests of the republics of the Transcaucasian Region has been expanding: inter-republic industrial enterprises have been created, and reciprocal deliveries of specialized output have been increasing. The gas and petrochemical industry of Azerbaijan, for example, is very important for the entire Transcaucasus, and Georgia's ferrous metallurgy uses the republic's iron ore and provides metal for the Azerbaijan Pipe Rolling Plant imeni Lenin and for Armenia's machine building. Various forms of international spiritual communication between the Azerbaijan people and the Great Russian and other peoples of our homeland are developing. Days of Culture and Days of Literature and Art which are marked in each republic have become traditional. Meetings between the republic's workers and celebrated theatrical and musical collectives take place with enormous success. Close relations have also been established between the financial and insurance agencies of Azerbaijan and the other fraternal republics: work experience is exchanged, there is active participation in the All-Union socialist competition, and so forth.

For the Azerbaijan SSR, as for all of the Soviet republics, there is especial importance in the 1980s which are connected with the fulfillment of the USSR Food Program which was approved by the May (1982) Plenum of the CPSU Central Committee. Along with a further development of cotton growing, it is planned in our republic to have an average annual production of grapes during the 11th Five-Year Plan of 1.4 million tons, and of 2.3-2.5 million tons during the

12th; grain--1.1 and 1.2 million tons; and vegetable and melon crops--950,000-970,000 tons and 1.2-1.3 million tons. The average annual production of meat during the 11th Five-Year Plan will reach 150,000 tons, and during the 12th 180,000-185,000 tons; milk--850,000-860,000 and 950,000-970,000 tons. It should be said that Azerbaijan's share of total USSR gross agricultural output growth has been increasing from year to year; compared to the 9th Five-Year Plan, during the 10th it increased by almost two times.

During the coming decade an improvement of the structure of industry will continue in the republic on the basis of the outstripping development of progressive branches: electrical engineering, instrument making, radio engineering, and electronics. It has been planned to build a deep-water foundations plant, an industrial automation and telemechanics plant, and a number of other very important objects. The Shamkhor Hydroelectric Power Station and the Azerbaijan State Regional Electric Power Station, and new chemical capacities in Sumgait will be put into operation. The production of electric energy will increase by 1.5 times.

Of enormous political and social importance above all for a further improvement of the well-being of our workers is the direction set by the 30th Congress of the Communist Party of Azerbaijan aimed at achieving during the 11th and 12th Five-Year Plans national income growth rates which outstrip the average union ones, as well as a more efficient use of this income.

In their daily work the republic's financial agencies strive to ensure continuous financing for plan measures, adopt every possible measure to seek out and mobilize additional reserves for increasing the budget's income, and actively struggle for the strictest economizing and for a purposeful and efficient use of state capital. Last year the income part of the Azerbaijan SSR Budget was overfulfilled for all sources of receipts. The income plan was also completely fulfilled by the local budgets of the Nakhichevan ASSR, the Nagorno-Karabakh Autonomous Oblast, and the cities and rayons of the republic. An additional 114.8 million rubles were assigned for economic and cultural development and for financial aid to individual enterprises and organizations, and during 1970-1981, on the whole, 1,245,000,000 rubles. The income part of the budget is being successfully fulfilled this year also.

For a number of years good work has been done by the financial agencies of the Nagorno-Karabakh Autonomous Oblast, Kirovabad and Lenkoran', and Agdashskiy, Dzhaliabadskiy, Kubinskiy, Sabirabadskiy, Imishlinskiy, Shemakhinskiy, and Sal'yanskiy Rayons. Year after year the State Committee for Viticulture and Wine-Making of the Azerbaijan SSR, the republic ministries of procurements, of the food industry, and of motor vehicle transport, the Baku Tire Plant, the Baku Household Air Conditioners Plant, and others have been fulfilling and overfulfilling their commitments to the budget, thereby helping to strengthen it.

We understand, of course, that far from everything has been done. The May (1982) Plenum of the party Central Committee demanded from all party and economic

organizations that they self-critically evaluate their achievements, and direct all of their efforts toward a maximum increase in efficiency and work quality. Unfortunately, the republic's financial agencies are still not making full use of the rights and opportunities which have been granted them for influencing an improvement of the work of enterprises and organizations, discovering intra-enterprise reserves, and increasing the budget's income. We still have quite a few lagging enterprises and organizations which operate with a loss, and do not fulfill their plans for profits and other financial and economic indicators. During the first half of 1982 23 production associations and enterprises did not fulfill their output sales plans, and sold 43.9 million rubles worth less than what had been planned. In individual enterprises and economic organizations there are large losses resulting from mismanagement and unproductive expenditures, chiefly on account of the payment of fines and penalties, and there are a lot of above-norm remainders of commodity assets, including finished output. In a number of cases the necessary responsibility is not being shown for the safekeeping of an enterprise's own circulating capital (enterprises of the ministries of light industry and of the construction materials industry, the Main Administration for Construction in Baku, and others). For a number of years certain ministries and local Soviets have not been taking effective measures to fully equip and complement social and cultural institutions with the result that budget appropriations remain unutilized.

In carrying out the decisions of the 26th Congress and the May (1982) Plenum of the CPSU Central Committee, the republic's financial and insurance agencies have been devoting constant attention to improving the style and methods of their work, and to strengthening planning and execution discipline. They have begun to make a deeper study of the economies of enterprises and organizations and sovkhozes and kolkhozes, especially loss-bearing ones, and to actively influence with financial and credit levers an increase in production efficiency, an improvement of the qualitative indicators of economic management, and the achievement of high final economic results with minimum expenditures. We have been strengthening financial work aimed at an intensification of agriculture and a better use of land, production capacities, labor, material, and financial resources. The tasks of improving the organizational structure of management are being persistently accomplished by financial agencies. Control has been strengthened over the correctness, fullness, and effectiveness of the expenditure of means which are allocated by the state for capital investments, an improvement of the social and everyday conditions of life in the village, and for financial assistance to economically weak farms.

The slogan which was advanced by L. I. Brezhnev at the 26th CPSU Congress, "The Economy Has To Be Economical," is most important and decisive for us today. In accordance with this, the republic's financial organizations are improving their economic control and auditing work, and are making more intensive use of the entire arsenal of their means in the struggle against mismanagement and extravagance. Especial attention is being given to an increase in labor productivity, a sharp decrease in losses, a decrease in output costs, and an increase in the profitability of farms.

Socialist competition which is developed in the financial system of Azerbaijan is a powerful means for improving work in all sectors. In 1982 the workers of the republic's financial and insurance agencies adopted high socialist commitments: to ensure the receipt by the budget of not less than 64 million rubles of additional income and not less than 3.5 million rubles of payments for voluntary insurance. Every effort is being made to successfully fulfill and overfulfill the budget of the anniversary year and thereby actively assist the further development of the economy and culture of Soviet Azerbaijan, an inseparable part of the Union of Soviet Socialist Republics.

Moldavian Finance Minister Reports

Moscow FINANSY SSSR in Russian No 10, Oct 82 pp 7-10

[Article by I. A. Savvin, Minister of Finance of the Moldavian SSR: "In a Single Family of Peoples"]

[Text] The Soviet people is preparing to festively celebrate an important date--the 60th anniversary of the formation of the USSR. Six decades is a small historical period, but how much has been done for the comprehensive development of our nations and peoples.

"From the first years of Soviet power," Comrade L. I. Brezhnev said at the 26th CPSU Congress, "our economic and social policy has been constructed in such a way as to lift the former national districts of Russia to the development level of its center as rapidly as possible. . . . Today, comrades, there are no backward national districts!" The flowering of the economy and culture of Moldavia is testimony to the triumph of the CPSU's Leninist nationalities policy, and of the historic achievements of socialism.

The Moldavian ASSR was formed on 12 August 1924 as a part of the Ukrainian SSR; meeting the wishes of the workers, on 2 August 1940 the 7th Session of the USSR Supreme Soviet adopted the law on the formation of the Moldavian Soviet Socialist Republic.

The years 1940-1941 were a turning point in the fate of the Moldavian people. During that period profound socio-economic and cultural transformations were carried out. The war and the three-year fascist occupation caused the economy tremendous damage which amounted to 11 billion rubles.

In order to restore the economy with its own resources decades would have been required. The peoples of the fraternal republics came to the rescue. In 1944 alone more than 10 billion rubles was allocated to the republic from the union budget, as was equipment, construction materials, and skilled cadres. A large amount of assistance was given to agriculture in the form of agricultural machinery, tractors, seeds, and credit. The struggle to eliminate the devastation of the war coincided with the drought of 1945 and 1946. A course was adopted aimed at an accelerated development of industry and the creation of a powerful energy base.

With the fraternal assistance of all of the peoples, during the years of Soviet power Moldavia attained the heights of social progress. Compared to the prewar level, in 1981 industrial production had increased by 52 times, and compared to 1922--by almost 1,000 times. Today in seven days our industrial enterprises produce more output than during all of 1940. Agriculture has been transformed in a fundamental way: from 1940 through 1981 its gross output increased by 3.4 times. While it occupies 0.15 percent of the territory of the USSR, the republic produces more than 2.1 percent of its cropping and animal husbandry output. A powerful agro-industrial complex for the production and processing of agricultural output has been created in the Moldavian SSR.

The progress and overall development of the economy and progressive structural changes have made it possible to expand the republic's participation in the all-union division of labor. Moldavia is connected through reciprocal deliveries with 72 of the country's economic areas. It exports tractors and electrical machinery, pumps, instruments, automation equipment, low-voltage apparatus, washing machines, furs and fur products, wine, canned goods, and cotton and silk fabrics. At the same time, Moldavia imports goods from the fraternal republics: equipment, raw materials and metal, hard coal, and petroleum products.

The Moldavian SSR participates in international commodity exchange. In the 1970s its share of foreign trade underwent a substantial increase. Whereas in 1971 around 100 items of industrial output were exported to 50 countries of the world, in 1980 more than 300 items were exported to 67 countries, including all of the socialist countries.

The high level of development of the republic's economy has ensured the successful accomplishment of its chief task--an improvement of the material well-being and cultural level of the people. Before the establishment of Soviet power 85 percent of the population was illiterate. At the present time more than 1.6 million pupils are in all types of education.

For every 1,000 people employed in the economy, 725 have a higher, secondary, or incomplete secondary education. The republic has 1,511 general educational schools for almost 640,000 pupils, preschool institutions for 213,000 children, 8 VUZes, 51 secondary specialized educational institutions, and its Academy of Sciences. Moldavia has seven professional theaters, a State Philharmonic, and numerous folk theaters and amateur arts collectives. A broad network of medical institutions equipped with modern equipment has been created. There are 30,000 doctors (in 1940 there were only 4) per 10,000 inhabitants. This is more than in the United States, England, France, and Japan. Especial attention is devoted to protecting the health of mothers and children.

During the 10th Five-Year Plan the Moldavian republic made substantial progress in all of the directions of economic and cultural construction. National income increased by 28 percent, industrial production by 32 percent, and agricultural production by 1.6 billion rubles. Twenty-three percent more capital investments were used than during the previous 5-year plan.

Soviet finances have always been a faithful helper to the party, and a reliable means of carrying out socialist transformations. The development of finance and credit in the republic is closely connected with the history of the establishment of the national statehood of the Moldavian people. In 1924 the budget of the Moldavian ASSR was included in the budget of the Ukrainian SSR. Moldavia's first budget was approved in 1941, but it was not fulfilled as a result of the treacherous attack by Hitler Germany on our country. During the postwar years the finance and credit system ensured the mobilization of resources for the restoration of the economy. The problem of accumulations was solved with the financial aid of the fraternal union republics (subsidies and direct financing from the union budget). On the basis of the dynamic development of Moldavia's economy, the budget's income base was strengthened, and, moreover, its growth rates were higher than the average union ones.

The State Budget of the Moldavian SSR unites the republic budget, 9 budgets of cities of republic subordination, 39 of rural rayons, 12 of cities of rayon subordination, 48 of settlement soviets, and 74 of rural Soviets of People's Deputies. The growth of income and expenditures is characterized by the following data:

	(Billions of rubles)		
	1940	1960	1980
Income--total	21.7	344.3	1998.7
Including:			
From enterprises and organizations	16.0	316.1	1763.5
From the socialist economy	17.2	336.0	1942.7
Expenditures--total			
Including:			
For the economy	2.4	140.8	975.6
For social and cultural measures and science	10.8	171.5	813.4

From 1976 through 1980 the Moldavian SSR took a large step forward in its economic and cultural construction. This is convincingly witnessed by the following figures: during this period budget expenditures increased by 612.8 million rubles, or by 46.1 percent, appropriations for economic development--by 48.2, and for social and cultural measures--by 33.1 percent.

The republic's workers, like the entire Soviet people, have entered the second year of the 11th Five-Year Plan in an atmosphere of great political and labor activeness and of a struggle by all of the people to implement the decisions of the 26th CPSU Congress. The mature socialist relations which have become established in this country, and the profound changes both in the material and in the spiritual lives of the peoples of all of the republics have accumulated into a new historical community of people whose name is the Soviet people. This is the result of an increasing internationalization of economic life, and the development of the socialist nations among which there have taken shape relationships of genuine equal rights, fraternal mutual assistance and cooperation,

and respect and mutual trust. Their international fraternity is gaining new strength in the struggle to fulfill the decisions of the 26th CPSU Congress and the plans of the 11th Five-Year Plan. A further equalization of the economic development levels of the republic is taking place. Thus, while it is planned to increase industrial output as a whole by 26 percent, in Moldavia the increase is planned at 32 percent. Our machine building, metal working, chemical and electrical engineering industries, and instrument making will develop at more rapid rates.

Compared to the 10th Five-Year Plan, the amount of capital investments in the 11th Five-Year Plan will increase by 1.3 billion rubles. They will be assigned first of all for start-up construction projects and objects, and for those of them which are in a high state of construction readiness. At the end of the 5-year plan the level of incompleeted construction in the republic and union-republic economy as a whole will come to 51 percent of the 1985 capital investments ceiling, which is 16 percent lower than the level at the beginning of the 5-year plan, and 14 percent lower than the norm.

A special-purpose overall Food Program has been developed. It provides for the dynamic development of agriculture based on the planned shift of branches to an industrial basis, a further rise in grain farming and animal husbandry, and a deeper specialization and concentration of the production of vegetables, fruit, grapes, sugar beet, and tobacco. During the 5-year period the average annual gross output of agriculture is to increase by 20-22 percent.

On the basis of the growth of social production, per capita real income will increase during the five years by 16-18 percent, and the social consumption funds by more than 20 percent. The realization of the program to improve the well-being of the people is determining a rapid growth in the branches of group "B." The production of consumer goods will increase by 34 percent, with an increase of 42 percent for outer knitted wear, and 76 percent for rugs and rug products. Around 130 million rubles are being appropriated to strengthen the material and technical base of trade. Along with an increase in the production of consumer goods, this will make it possible to accomplish one of our most important tasks--a fuller satisfaction of consumer demand. Housing construction will continue to be at the center of the party's and government's attention. It is planned to build houses with a total area of more than eight million square meters, which will make it possible for almost 700,000 people to improve their housing conditions.

In keeping with the increased demands of scientific and technological progress and with the needs of the republic, a large amount of cadre training work has been planned: 120,000 specialists will be graduated during the five years by our VUZes and secondary specialized educational institutions, and 168,000 qualified workers by our vocational and technical schools. The network of schools and extended day groups and of extracurricular and children's preschool institutions will be expanded, and measures have been planned to improve health care.

In 1981 a start was taken in the accomplishment of the tasks established by the 26th CPSU Congress and the 15th Congress of the Communist Party of Moldavia. The economy developed as planned, and this created a solid foundation for the successful fulfillment of the budget. The income plan was fulfilled by 103.9 percent, and the expenditures plan by 100.2 percent, which made it possible to ensure the punctual and complete financing of all planned measures.

The State Budget of the Moldavian SSR for 1982 has been worked out on the basis of the decisions of the 26th CPSU Congress and 15th Congress of the Communist Party of Moldavia, and of the principal directives and instructions of the General Secretary of the CPSU Central Committee and Chairman of the Presidium of the USSR Supreme Soviet Comrade L. I. Brezhnev on the key questions of the country's social and economic development. The speech by L. I. Brezhnev at the November (1981) Plenum of the CPSU Central Committee pointed out the most important tasks of economic construction and the ways to accomplish them. All efforts have to be directed toward increasing the efficiency of the economy, toward its intensification, an efficient and thrifty expenditure of material, labor, and financial resources, a further improvement of economic planning and management, and an improvement of the style and methods of economic work.

The republic's 1982 State Budget was approved for income in the amount of 1,836,400,000 rubles, and 1,836,000,000 rubles for expenditures. The financing of the economy on the basis of budget appropriations, the resources of enterprises, and bank credit was assigned 2,190,000,000 rubles, which is 127 million rubles more than the 1981 plan.

Expenditures for social and cultural measures will increase by 28 million rubles and come to 872 million rubles. Of this amount, 456 million rubles are scheduled for education. By the end of 1982 the total number of children in preschool institutions will reach 213,000, and the expenditures for their maintenance from budgetary resources--67 million rubles. The number of pupils will increase by 12,000 and come to 633,000. More than 97 million rubles will be allocated from the budget for cadre training. The graduating class of students with a higher and secondary specialized education will come to 20,000 people. Expenditures for health care will increase by 6.7 million rubles and come to 202 million rubles.

During the anniversary year financial agencies have been concentrating their attention on a constant improvement of economic and control work, the mobilization of intra-enterprise reserves, the strengthening of cost accounting, and the observance of a regimen of economy. Especial attention will be devoted to control over the use of resources allocated for the development of agriculture, and to a study of the reasons for output losses in fruit and vegetable storage units. Loss-bearing and low-profit sovkhozes are to be under strict control.

Every year the Ministry of Finance of the Moldavian SSR, jointly with the republic office of Stroybank USSR, conducts checks on the execution of measures to decrease stocks of uninstalled equipment at enterprises and construction sites and develops

the corresponding proposals. In 1982 it is planned to study the reasons for the loss-incurring work of the construction organizations of the Ministry of Agricultural Construction and the Ministry of Construction under the conditions of payments for completely finished objects and of the extension of credit for incompleted work. It has been planned to carry out a check on the fulfillment of reconstruction and reequipping plans at light industry enterprises.

In discussing the draft plan and budget for 1982 the budget planning and other permanent commissions of the Supreme Soviet of the Moldavian SSR found serious shortcomings in the work of the enterprises and organizations of trade, consumers' cooperation, municipal housing, and domestic services. For this reason financial agencies will have to verify the correctness of the planning and expenditure of funds for distribution costs, including for the natural loss of goods, the effectiveness of the expenditure of material and financial resources for the work and operational needs of housing construction, and also of funds which are allocated from the budget for improving and performing capital repairs on the housing fund of the local soviets.

The workers of the financial system of the Moldavian SSR are working to realize the party's social and economic program which was set by the 26th CPSU Congress. They have actively joined in the all-union socialist competition, and have adopted increased commitments for 1982. The activization of all of the reserves and capabilities which are possessed by the financial system will contribute to the fulfillment of the plan and budget of the anniversary year.

RSFSR Finance Minister Reports

Moscow FINANSY SSSR in Russian No 12, Dec 82 pp 11-20

Article by A. A. Bobrovnikov, RSFSR Minister of Finance: "In a Single Family"]

[Text] In the single harmonious family of equal union republics the peoples of the Russian Federation are celebrating their great holiday--the 60th anniversary of the USSR--with new successes in all economic and cultural fields, and with their persistent and creative labor are realizing the historic decisions which were adopted by the 26th CPSU Congress.

As a result of the victory of the heroic proletariat of Russia under the leadership of the party of Bolsheviks headed by V. I. Lenin, in October 1917 the world's first socialist state was born--the Russian Soviet Federated Socialist Republic. From Tsarism it had inherited a backward industry, small peasant farms, and poverty and hunger. "Look at the map of the RSFSR. North of Vologda, southeast of Rostov-na-Donu and and Saratov, south of Orenburg and Omsk, and north of Tomsk there are limitless expanses which could accommodate dozens of huge civilized states. And all of these expanses are dominated by the patriarchal system, semi-savagery, and the most genuine savagery."¹

The victory of October signified an historic turnabout in the destiny of the peoples of our country, and saved them from an impending catastrophe. V. I.

Lenin wrote: "We, the party of Bolsheviks, have convinced Russia. We have won Russia away from the rich and for the poor. . . . We must now govern Russia."² The Russian Soviet Federated Socialist Republic played a decisive role in the creation of the single union state around which all of the union republics unified themselves voluntarily. "As the first multinational Soviet state, the RSFSR was a prototype of the USSR."³ Without regard to difficulties and deprivations, the Russian people had previously also given disinterested help to all of the workers of the country in defending their revolutionary gains, in overcoming the backwardness of the former national districts, and in economic development. In order to restore the Donetsk Coal Basin skilled cadres, equipment, and resources were sent to the Ukraine. The Armenian SSR was allocated 70 million rubles in gold to purchase working livestock in Iran, and the Azerbaijan SSR was given 800,000 rubles for irrigation work in the Mugan' Steppe. Economic, organizational, and financial aid was given to other republics.

Consistent internationalism and the recognition and trust of the workers of all nationalities gave rise to a social movement for the creation of a single union state. In Moscow on 30 December 1922 the 1st All-Union Congress of Soviets, expressing the will of the peoples of the fraternal republics, unanimously adopted the Declaration and Treaty on the Formation of the Union of Soviet Socialist Republics.

The formation of the USSR--of a single multinational state--was the result of the victory of the Great October Socialist Revolution which broke the chains of social and national oppression on one-sixth of the planet. Public ownership of the means of production which was established by the world's first workers' and peasants' state opened the way for the peoples of our country to genuine equality and fraternity.

The USSR was a living embodiment of the Leninist principles of nationalities policy. V. I. Lenin, examining the economic policy of the young socialist republic, gave primary emphasis to the governing of the country, the transformation of the economy on a socialist basis, the acceleration of the development of the productive forces, and the creation of conditions for the formation of a new man.

Soviet Russia laid the basis for the construction of the foundations of a socialist economy. The strategy and program of the party's economic policy were worked out on the solid basis of the science of social development. The formation of the USSR occurred during the period of the realization of the program for the rebirth of the country which had been mapped out by the 11th Congress of the Russian Communist Party (Bolsheviks) which concretized and developed the most important theses of the new economic policy as a policy of a transitional period from capitalism to socialism, which led in subsequent years to the reorganization of the system of managing socialist industrial enterprises on the basis of cost accounting relations.

V. I. Lenin had mapped out the basic paths for Russia's economic development as early as the spring of 1918 in the work, "The Next Tasks of Soviet Power." He

produced a profound substantiation for the necessity of a fraternal union of all of the republics, and for the unity and friendship of all of our nations and peoples, which was manifested in the creation of the Union of Soviet Socialist Republics. Its formation and successful development marked the greatest victory of the Leninist nationalities policy of the CPSU, and was a vivid confirmation of its genuinely internationalist character. The Russian Soviet Federated Socialist Republic became an equal member of the harmonious, single Soviet family.

It is 60 years that creative, constructive work and a persistent struggle for the economic and cultural growth of our multinational republic has been taking place on the limitless expanses of the RSFSR in a single family with the fraternal union republics under the leadership of the Communist Party. A tremendous path has been covered from backward landowner-capitalist Tsarist Russia to our mighty industrial Socialist Federated Republic which, together with the other fraternal union republics, is confidently progressing along the path of the construction of a communist society.

Russia is inhabited by more than 100 nationalities--140 million people. The peoples of the former national districts which had been doomed to eternal backwardness have confidently stepped into the socialist future, bypassing capitalism, and have attained the heights of social progress. A great fraternity of people of labor and a feeling of a single family has arisen in the joint struggle for a just new world, and an indestructible Leninist friendship of peoples has taken shape--inexhaustible sources of the constructive creative work of the masses. A new social and international community has formed--the Soviet people.

"History has no example of a state which has so rapidly done so much for the comprehensive development of nations and peoples as has been done by the USSR--the socialist fatherland of all of our peoples."⁴ The economies of the union republics, including that of the Russian Federation, have changed beyond recognition. The Russian Federation has arrived at our glorious anniversary enriched by the experience of socialist construction and by its enormous achievements in economic and cultural development. All branches are developing dynamically and at rapid rates, despite the fact that of the 60 years of socialist construction, almost one-third were years of wars imposed upon our country and of the restoration of our devastated economy.

During the years of Soviet power the national income of the RSFSR has increased 161 times, industrial production by 478, and gross agricultural output (compared to 1922) by 3 times. Compared to the prewar period, fixed productive capital has increased by 15 times.

The RSFSR has concentrated in it more than 50 percent of the all-union production of steel, rolled goods, coal, turbines, and weaving machine tools, more than 80 percent of the extraction of petroleum and the production of motor vehicles, around 70 percent of the production of fabrics, synthetic resins, and plastic, and two-thirds of the production of the union's electric energy. New progressive

branches of industry have been created anew and developed--the chemical and gas industries, motor vehicle, tractor, airplane, and instrument construction, radio electronics, energy and chemical machine building, modern turbine, boiler, diesel, diesel trains, passenger cars, television sets, radio, camera, watch, and agricultural machine productions.

A powerful fuel and energy complex has been created, and a consistent shift is being carried out to the production and mass use of highly efficient machinery systems which bring about a sharp decrease in manual labor. A large number of enterprises in the light and food industry have been reconstructed and built. Large progressive structural changes have taken place in industry, which has made it possible to substantially increase labor productivity and production efficiency, to improve the technical level and quality of output, and to improve working conditions.

The profoundest transformations have been carried out in the village. A large socialist agricultural production has been created in a short historical period. In place of 16 million small peasant farms, large agricultural enterprises have been organized--12,200 kolkhozes and 12,000 sovkhozes which possess a powerful material and technical base. V. I. Lenin dreamed of giving the village 100,000 tractors. Today the republic's kolkhozes and sovkhozes have 1,334,000 tractors, 461,000 grain harvesting combines, 808,000 trucks, and so forth. Russia's agriculture has a large network of scientific research and agricultural institutes, tekhnikums, enterprises, and organizations and institutions. An army of many millions of qualified specialists are at work in it: agronomists, zootechnicians, mechanization specialists, and workers.

The strengthening of the material and technical base of agriculture and the large amount of organizational work of the CPSU have helped to increase the growth rates of the production of the most important cropping and animal husbandry products. More than one-half of the country's grain is grown in Russia. Especially important positive changes took place in the republic's agriculture after the March (1965) Plenum of the CC CPSU. Agriculture's fixed capital increased by 3.5 times and its energy-labor ration by 3.4 times. In 1981 there were 9.2 million hectares of improved lands.

In accordance with the party's agricultural policy, ever increasing state and kolkhoz funds are being allocated for the development and strengthening of the material and technical base of the Russian Federation's agriculture. Whereas during three 5-year plans (8th, 9th, and 10th) 169.8 billion rubles were assigned for these ends, in the 11th Five-Year Plan it is planned to assign 83.9 billion rubles to carry out the program for the further accelerated development of agriculture which was mapped out by the 26th CPSU Congress.

A complex of operations to develop the agriculture of the Nonchernozem Zone of the RSFSR is being performed on a broad front. Large-scale social measures are being carried out in the village in a planned manner. During the 8th, 9th, and 10th Five-Year Plans the wages of sovkhoz workers increased by 2.1 times, and those of kolkhoz workers by 2.5 times; a system of pension security

has been instituted for them. The chief thing now is to use the allocated resources with maximum effectiveness, and to increase the yield from every ruble which is invested in agriculture.

The solution of the problems posed by the 26th Congress is embodied in the decree of the May (1982) Plenum of the CPSU Central Committee which approved the USSR Food Program For the Period Until 1990 and placed the proposals and conclusions set forth in the report at the plenum by Comrade L. I. Brezhnev at the basis of the practical activity to realize it and of the consistent implementation of the CPSU's agrarian policy.

A large capital construction program is being carried out in the Russian Federation. During the years 1922-1981 capital investments from all sources came to 1.4 trillion rubles in comparable prices, and compared to 1965, fixed productive capital increased threefold. Intensive housing construction is being conducted in the cities and villages. During the last three 5-year plans alone 883.7 million square meters of housing space was commissioned. More than 93.3 million people, more than one-half of the republic's population, received new apartments or improved their housing conditions. A great deal of attention is being devoted to domestic services for our citizens. In essence, a new branch of the economy has been created on an industrial basis. Domestic services for the rural population have been improved. Combines are in operation in all rayons, and in most kolkhozes and sovkhoses there are domestic services houses or overall reception points.

Enormous work has been done in the field of education, health care, and social security. Whereas during prerevolutionary Russia three-fourths of the population was illiterate, and the peoples of the Far North and of the other outlying districts were almost entirely illiterate, now a shift to universal mandatory secondary education is being completed. The network of secondary schools, specialized secondary educational institutions, and vocational and technical schools has been expanded. More than 20 million pupils are studying in our general educational schools, and 3.1 million students are studying in our 499 VUZes.

"There is no more important social task than the health care of Soviet people," Comrade L. I. Brezhnev said at the 25th Party Congress. Our state is confirming the correctness of this proposition with all of its work. Whereas in 1940 expenditures for health care and physical culture came to 496 million rubles, in 1982 they had increased to 7,844,000,000 rubles. A wide network of outpatient polyclinics, laboratories, and physical therapy studios has been created. In 60 years the number of hospital beds has increased by almost 13 times and in 1981 came to 1,832,000 units.

Enormous resources are being spent for social security. This year the total amount of pensions and benefits, and also of other types of social aid for the republic's population will come to around 18 billion rubles. From 1940 through 1980 expenditures for social and cultural measures increased by more than 22.5 times.

The economy of the Russian Federation is developing as an inseparable part of the single economic organism of our entire socialist state. "The economic and social progress of Soviet society," Comrade L. I. Brezhnev said at the 25th CPSU Congress, "is the progress of the Russian Federation, the Ukraine and Kazakhstan, Belorussia and Moldavia, the Central Asian republics, the Baltic republics, and the Transcaucasian republics. The single economic organism which has developed within our entire country is the solid material basis of the friendship and cooperation of our peoples."

Within the country's single economic plan the economic relations of the fraternal union republics are growing stronger, the effectiveness of the territorial division of labor is increasing, the contribution by each republic to the accomplishment of state tasks is growing, and the methods of their interaction in the accomplishment of the common tasks of communist construction are being perfected. With each passing year the RSFSR's economic and scientific relations with the fraternal union republics grows stronger. The RSFSR sends them metal, petroleum, industrial equipment, machinery, gas, chemical goods, and consumer goods. In their turn, the other republics supply Russia with needed products and goods.

The economic and cultural development of the republic is conditioned by the growth of the finances and budget of each of them and is inseparably connected with the economic and cultural development of the entire Soviet Union and with the growth of the USSR State Budget, since many of the measures on the republic's territory are financed from the union budget. The equalization of the levels of meeting the social and cultural and other needs of the populations of the individual autonomous republics, krais, and oblasts is taking place by means of a redistribution of income from the USSR State Budget and the budget of the Russian Federation and by the transfer of part of the income of the economically developed areas to the lagging ones. This is achieved by methods of budgetary regulation. Thanks to the large amount of financial and material aid from the state, the Bashkir ASSR, for example, has become a petroleum, chemistry, and machine building republic whose products are exported to 50 countries of the world.

In old Russia Kazanskaya Guberniya was a center of science and culture for all of the peoples of the Volga region; however, its position as a tsarist semi-colony did not permit the development of the creative forces of the Tatar people, and the economy was primitive. Today the Tatar ASSR is a very large economic region with a developed petroleum, gas, chemical, aviation, and motor vehicle industry, and with a powerful network of rail and automobile roads, river transport, and with an advanced agriculture.

The basis of the economy in Oyrotiya was nomadic and semi-nomadic animal husbandry. Today a multi-branch agriculture has been created in the Gorno-Altay Autonomous Oblast, and a leading place belongs to fine-fleeced sheep raising in combination with cattle breeding. The light, timber, and woodworking industries and the construction materials industry have been developed here. Rich mineral deposits are being exploited. There are hundreds of schools, a medical

tekhnikum, a pedagogical institute, a scientific research institute of history, language, and literature, and others. In 1922 Oyrotiya's entire budget came to 344,900 rubles; moreover, expenditures for education did not exceed 90,000 rubles. Today the budget of the Gorno-Altay Autonomous Oblast is 41.9 million rubles, including expenditures of 32.6 million rubles for social and cultural measures.

All of the autonomous republics have achieved a flowering of their economies and cultures, a fact which is confirmed in the growth of their budgets (see table).

(Millions of rubles)

ASSR	1940	1982 (Plan)	Growth (times)
Bashkir	39.2	610.0	15.6
Buryat	12.5	196.4	15.7
Dagestan	15.2	263.7	17.3
Kabardino-Balkar	7.7	117.6	15.3
Kalmyk	---	84.0	---
Karelian	---	197.3	---
Komi	10.0	271.3	27.1
Mari	9.7	150.6	15.5
Mordovian	14.4	192.0	13.3
North-Osetian	8.4	123.9	14.8
Tatar	39.0	500.1	12.8
Tuvin	---	101.1	---
Udmurt	20.2	278.6	13.8
Checheno-Ingush	12.7	168.8	13.3
Chuvash	15.0	223.3	14.9
Yakutsk	18.1	420.2	23.2

The local budgets play a large role in the economic and cultural growth of the RSFSR. The Soviets of People's Deputies--the local agencies of authority--exercise an important influence through their budget on improving the economic and financial work of enterprises and organizations and of domestic services institutions, and ensure the accumulation of a part of national income in the state budget. In order to demonstrate the increased role of the local budgets,

let us cite a few figures. In the State Budget of Russia for 1913, of which one-third was accounted for by military needs, the expenditures of the Zemstvos came to less than nine percent, and per capita expenditures came to no more than three rubles a year. In 1982 the share of the budgets of the autonomous republics and of the local budgets of the RSFSR in the republic's total budget came to 33.9 percent, and their amount was in excess of 25.5 billion rubles.

In recent years a number of measures have been developed and carried out to strengthen the income base of the rural, settlement, rayon, and city budgets. This has produced positive results. Whereas in 1968 11,089 rural and settlement soviets, or 40.8 percent of the total number, received subsidies from higher budgets, in 1982 the number of subsidized budgets had decreased to 171 (0.6 percent); moreover, almost all of them are in the areas of the Far North where on account of special conditions the balancing of budgets without subsidies is as yet impossible.

The rights of the local agencies of state power and administration have been substantially expanded in the new Constitution, and this is entirely lawful. The local soviets possess levers inherent only in them for increasing production efficiency and production volumes. They have to accomplish the task of a fuller utilization in every rayon, oblast, and kray of all resources, especially labor and natural resources, of environmental protection, and of many other matters connected with improving the well-being of the workers.

Compared to 1965, in 1981 real per capita income had increased by 104 percent, the average wages of workers and employees by 80 percent, those of kolkhoz workers by 147, and payments and benefits received by the population from the social consumption funds by 165 percent, reaching 67.8 billion rubles, or 488 rubles of payments and benefits per capita.

The 26th CPSU Congress set tremendous tasks for the further flourishing and the growth of the economy of our socialist state. The Basic Directions for the Development of the USSR Economy for 1981-1985 and for the Period Until 1990 reflect the untiring concern of our Leninist party for the good of the Soviet people, and for the further flourishing and strengthening of the might of our socialist homeland. The most important characteristics of the current 5-year plan are a strengthening of the socialist orientation of the development of the entire economy, an increased role for intensive factors in the formation of stable economic growth rates, and an outstripping growth of final results compared to expenditures for their achievement.

The essential preconditions for a further development of the economy and culture were created in the 1970s; throughout the last decade a stubborn battle was waged to increase the economy's efficiency. The most concentrated indicator here--Comrade L. I. Brezhnev said at the 26th Congress--is labor productivity. It increased during this time by almost 1.5 times.

The growth of the Soviet state's economic strength made it possible in the 1970s to carry out a broad program for improving public welfare--32 billion rubles were allocated for state measures to increase wages, pensions, and

assistance. A characteristic feature of our developed socialist society is the ever increasing satisfaction of the Soviet people's material and spiritual needs through the social consumption funds. The granting of free education and medical care to the people on the basis of the social consumption funds, and the use by everybody of our cultural values, in their turn, promote the further development of the country's economy. In a speech at the 17th Congress of USSR Trade Unions Comrade L. I. Brezhnev said: "Concern for improving the life of the workers is inseparably bound up with our concern for economic development. It is impossible to ensure an improvement of well-being without the necessary development of production, and, at the same time, the development of production itself will be the more successful, the better working and living conditions are. This is an axiom of the socialist way of life. . . ."

The realization of our enormous program of social and cultural measures depends directly upon a systematic growth of budgetary income. At all of the stages of the construction of socialist society state income was used for the development of production and culture in the interests of the people, and for a steady rise in the level of its material and spiritual life.

Beginning with the end of 1925, that is, the period of the 14th Party Congress which adopted the general lines aimed at socialist industrialization and at converting the country from an agrarian into an industrially developed one, a special economic and financial policy, new income sources, and a comprehensive use of our own accumulations were needed. At all of the stages of the economy's development an increase in accumulations was necessary in amounts providing for the important tasks of the 5-year plans. Year after year the budget's income increased on the basis of an increase in production and labor productivity and a decrease in output costs.

The state organization, socialist form of the economy, and harmonious financial system of our people withstood the stern tests of the terrible years of the Great Patriotic War. During the occupation by fascist Germany of a number of important regions, the evacuation of factories and plants and of the population to safe areas, and the restructuring of enterprises onto a military basis it was possible to produce output and increase accumulations and payments to the budget in the amounts necessary to carry out all of the economic measures and meet the needs of the front, and then, after victory, to restore the war-torn economy. The increase in the accumulations of enterprises and the active role of financial agencies gave rise to a systematic increase in payments in the form of the turnover tax and profit allotments to the union, republic, and local budgets. Compared to 1965, in 1970 RSFSR budget income increased by 20.2 percent, in 1975 by almost 70 percent, and in 1980 by 2.3 times. The tendency toward the increase in income will also be maintained during the 11th Five-Year Plan. There need be no doubt that at those enterprises where output quality is improved, the planned production norms for raw materials expenditures are observed, an economy of fuel and energy resources is accomplished, and where losses during storage and transportation are reduced, there will be a consistent increase in the production of output needed by the economy and a decrease in its cost, and, consequently, an increase in the income of the State Budget.

Both during the time of its composition and during the time of its execution the RSFSR State Budget actively influences the planned and proportional development of the individual branches of the economy and of the economic regions. The forms of relationships between enterprises and the budget have changed in accordance with the concrete tasks of socialist construction. The connections between economic and budgetary planning have grown stronger. The use of the budget as a tool for establishing the necessary proportions in the development of the economy requires the pursuit of a single financial policy and price policy, and of a single scientific and technical policy. The inclusion in the economic plan of indicators for sales, profits, and allotments to economic stimulation funds has strengthened the influence of finances on production and created a solid basis for planning budgetary income. At the same time, enterprise leaders have become more responsible for the fulfillment of their financial commitments to the state. A large role has been played in this by the decree of the CPSU Central Committee and USSR Council of Ministers, "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing Production Efficiency and Improving Work Quality," and the 18 October 1979 Decree of the RSFSR Council of Ministers on this matter.

During the 60 years of the development of the Soviet Union a solid foundation has been laid for further accelerated progress. Our tomorrow has found a vivid expression in the scientific formulations and statistics of the "Basic Directions for the Economic and Social Development of the USSR for 1981-1985 and for the Period Until 1990." In accordance with the decisions adopted by the 26th CPSU Congress, all of the union republics will receive further development in the 11th Five-Year Plan. The accelerated mastery of the natural resources and the development of the productive forces of Siberia and the Far East are creating favorable prospects for the economic growth of the Russian Federation and of the entire country. This region, a former remote district of Tsarist Russia, a place of forced labor and exile, has been transformed during the years of Soviet power into a large center of the coal, metallurgical, energy, machine building, and chemical industries. At the present time petroleum and gas deposits have been developed, and major measures are being carried out to develop rail, motor vehicle, water, and air transport.

The main strategic direction of the Soviet economy is the efficiency of social production. Toward this end, the 26th Congress set the task of further increasing the influence of financial and credit levers on increasing production efficiency and improving the qualitative indicators of economic work by means of decreasing non-productive expenditures and losses, and increasing the financial resources of the branches of the economy and the income of the State Budget.

The discovery of additional reserves is of great importance for further economic progress. The fact that they exist is witnessed by the work results of 1981 and of nine months of 1982. It is essential to discover reserves on time and to draw them into economic circulation. An analysis of the economic and financial work of enterprises and associations has shown that compared to the previous year, there has been an improvement in the organization of production, an increase in the capital-labor ratio and in labor productivity, an expansion

and renewal of assortment, and an improvement of output quality. However, behind successful fulfillment "as a whole" there is frequently concealed a considerable number of enterprises which do not fulfill their assignments. Financial agencies have to study the situation at every industrial enterprise, in every trade element, and at every facility. Every financial and credit lever has to be used for the purpose of the development of optimal plans and for improving proportions and balance in the development of the branches of the economy. The basis has to be made up of the most rapid introduction into production of scientific and technical achievements, an increase in labor productivity, and an improvement and better use of the new system of the planning and economic stimulation of production in accordance with the requirements of the economic laws of socialism and the tasks of the contemporary stage of communist construction.

The forms and methods of the formation of general state financial resources are constantly developing in the direction of an active influence on increasing production efficiency. One of the important financial problems is an improvement of the methods of the formation of budgetary income under the conditions of developed socialism and, above all, the development of such methods which will not only ensure the receipt of planned income into the budget, but will at the same time serve as an active stimulator for increasing the efficiency of economic work on the basis of the principles of cost accounting. This is a result of the tasks in the field of improving the methods of economic work and economic stimulation, of increasing the effectiveness of finances in the economical and efficient use of production resources, reducing output costs, and increasing labor productivity and production profitability.

Intense assignments for reducing expenditures of the basic types of raw materials and fuel and energy and other material resources have been established in the plans for the 5-year plan and for 1982. Thus, in 1985 it is planned in the economy of the Russian Federation to economize more than 125 million tons of conventional fuel, compared to the 77 million tons in the 10th Five-Year Plan. In machine building and metalworking the economy of rolled ferrous metals is supposed to come to 5.5 million tons. In capital construction 1.2 million tons of rolled goods and 4.2 million tons of cement have to be economized. Assignments for the procurement and use of secondary raw materials have been established. It has to be remembered here that an economy of 120 million tons of conventional fuel is equal to economizing capital investments for the construction of new capacities with a cost of approximately six billion rubles. A decrease in material expenditures of only one percent in the industries subordinate to the RSFSR will make it possible to obtain an economy of production expenditures equal to one million rubles a year. An acceleration of the turnover rate of circulating capital by 2.2 percent will make it possible to involve more than 1.4 billion rubles of physical assets in production. The increase in labor productivity which has been planned for the 5-year period should release 17 million workers. In examining the financial plans of enterprises and associations and accounting and statistical reports and in running checks and audits on the financial and economic work of enterprises financial agencies have to remember the necessity for discovering and utilizing all existing reserves.

There are no "trifles" in this matter. As an ocean is made up of drops, so the billions needed for the construction of the material and technical base of communism are formed from kopecks and rubles. As is demanded by the decree of the CPSU Central Committee and USSR Council of Ministers, "On Strengthening the Work on an Economical and Efficient Use of Raw Materials, Fuel and Energy, and Other Material Resources," it is necessary to see to the fulfillment of the party's and government's demands concerning economical economic management and an increase in the effectiveness of every ruble on the basis of decreasing the proportion of expenditures and reducing the expenditure norms for materials, fuel, and energy per unit of output. The accomplishment of the tasks which have been posed by the 26th Congress is guaranteed by the extensive socialist competition which has begun, and by the adoption by the collectives of industrial enterprises, construction sites, kolkhozes, sovkhozes, and other enterprises and organizations of counter-plans and socialist commitments for the advanced fulfillment of the assignments of the anniversary year of 1982 and the 5-year plan as a whole.

The realization of the tasks of communist construction which have been mapped out by the 26th Congress is making demands upon financial agencies to provide the plan assignments with the necessary financial resources and to carry out systematic control over their use. A large role in the accomplishment of these tasks is being assigned to state control which has the responsibility of seeing to the safekeeping of socialist property and of all national wealth, and the rational and efficient use of material, labor, and financial resources.

Financial control is an important component part of state control. During the first years of the establishment of the young Soviet state V. I. Lenin said that along with management, the chief task is the organization of state and financial control with the involvement in this of the broad masses of workers.

The growth of national wealth and the ensuring of its safekeeping is becoming especially important at the current stage. "The secret of economic leadership," Comrade L. I. Brezhnev said as early as the December (1973) Plenum of the CPSU Central Committee, "consists in . . . the punctual placing of the ruble in those places where tomorrow it will be returned to us as two or three, and even as ten rubles. And to resolutely refuse those places where this ruble will give us nothing, or even drag dozens of rubles of unproductive expenditures after it. All of us, both those of us at the center and those of us in the localities, have to learn this difficult art of earning money. There is nothing to be ashamed of here--we are talking about the people's money."

In accordance with the party's and government's decisions, the RSFSR Ministry of Finance is continually carrying out measures to improve control and auditing work, and the results of the checks and audits which are performed by financial agencies and the apparatus of the Control and Auditing Administration have increased. In 1981 alone checks were run on 18,085 enterprises and economic organizations, 10,650 centralized accounting offices, and 3,127 budget institutions; 1,550 audits were performed in ministries, departments, associations, and trusts and administrations, 1,356 audits were performed on the execution

of budgets in the autonomous republics, krais, oblasts, cities, and rayons, and 15,807 in rural and settlement soviets.

The RSFSR Ministry of Finance and the republic's financial agencies are struggling against extravagance in the expenditure of resources and are taking measures to improve the work of the agencies of intra-departmental control. Constant improvements are being made in the work style and methods of the central apparatus, local finance agencies, and the control and auditing apparatus in the execution of the budget, the discovery of intra-enterprise reserves, an increase in the economy's resources and in state income, and in the exercising of control over the safekeeping and efficiency of the use of monies and physical assets.

In complete accordance with the demands of the great Lenin "Not only and even not so much 'to catch' or 'to unmask' . . . as to be able to correct," finance workers set themselves the task not only of discovering shortcomings and violations of finance discipline, but chiefly of preventing them, and also of helping to improve the economic and financial work of enterprises, associations, and ministries and departments and to strengthen cost accountings in all of the elements of the economy. In addition, it has to be kept in mind that in raising the level of the economic work of a ministry and in improving style and methods a large role has to be played by a substantial improvement of the work with the letters and proposals of workers, as is demanded by the party's and government's decree on this issue.

During the 11th Five-Year Plan resources in the amount of 2.7 trillion rubles have to be mobilized in the country. Most of this amount is accounted for by the RSFSR. Most of the resources have to be mobilized and distributed through the State Budget. Behind all of these facts and figures which characterize the social and economic importance of the State Budget of the Russian Federation in the accelerated development of our economy and in the great progressive changes which have occurred during the 60 years of the existence of the Soviet Union in the economic and cultural construction of the republic stands the creative and inspired work of the many thousands of our finance economists.

A change of generations has now taken place. Many capable young workers have come into the financial apparatus. There is complete confidence they, together with the veterans of the finance system and in close contact with planning and banking agencies, people's control agencies, and the economic services of the branch ministries, will cope with the task which has been set by the 26th Party Congress--to increase the influence of finance and credit on increasing production efficiency, improving the qualitative indicators of economic work, decreasing non-productive losses, and increasing the state's income.

FOOTNOTES

1. V. I. Lenin, "Poln. sobr. soch.," Vol 43, p 228.

2. Ibid., Vol 36, p 172.

3. Decree of the CPSU Central Committee "On the 60th Anniversary of the Formation of the USSR," PRAVDA 21 February 1982.

4. Ibid.

Belorussian Minister of Finance Reports

Moscow FINANSY SSSR in Russian No 12, Dec 82 pp 21-27

[Article by B. I. Shatilo, BSSR Minister of Finance: "According to the Laws of Fraternity"]

[Text] The workers of the BSSR are proud of the fact that Belorussia was among the first sovereign republics created by the will of the Communist Party and the heroic efforts of the working masses to enter into the union of equal and free socialist republics. The Belorussian people has always felt a fraternal attachment to the Russian people. Together with it, under the leadership of the great Lenin, it defended the gains of the October Revolution and created and strengthened our socialist economy.

From the first days of the formation of the USSR the Communist Party adopted a course aimed at the dynamic development of the economies of all of the union republics. The interconnection and interdetermination of their development was guaranteed by the party's and state's policy aimed at increasing productive forces, overcoming national insularity, and raising the standard of living of the country's peoples. An equalization of the levels of their economic and social development took place in an historically very brief period of time, and a substantial place here belongs to the redistribution of national income which is carried out through the budget.

In accordance with the decisions of the 12th Party Congress, the national statehood of the union republics received a financial basis which was expressed in extensive financial and budgetary rights. The state budgets of the union republics have always played a very important role in economic and cultural development, and their amalgamation with the union budget in the USSR State Budget was an expression of the fraternal cooperation and mutual assistance of all of the Soviet peoples.

The socialist system of the distribution and redistribution of national income on a country-wide scale, and Lenin's nationalities policy helped to eliminate Belorussia's age-old backwardness and the consequences of ruinous wars. For many years Belorussia was in need of the support of its fraternal republics which, as a result of circumstances, were industrially more developed and possessed a relatively larger national income. V. I. Lenin personally directed the economic assistance to the republic and its economic and national regeneration. On a proposal by him, as early as 14 January 1919, two weeks after the formation of the BSSR, the Council of People's Commissars of the Russian Federation decreed: "To allot to the People's Commissariat for the Affairs of the Nationalities . . . ten million rubles for the extension of a loan to the Worker's and Peasant's Government of the Belorussian Soviet Republic."¹

With the construction of developed socialism and in the light of the tremendous tasks which have been set by the party congresses the importance of the indivisible union of all of the nations and peoples inhabiting the USSR has

been growing immeasurably. The 11th Five-Year Plan will have as its goal a steady growth of the economy and, on this basis, a strengthening of the economy of each republic, an improvement of social relations, including national relations, and a further improvement of the well-being of the people.

The unprecedented flowering of Belorussia is a vivid testimony to the triumph of Lenin's nationalities policy, the advantages of the socialist system, and of its close and fruitful friendship with the fraternal peoples of the Soviet Union.

The republic's people's poet Yakub Kolas, whose centenary is being marked this year, wrote about the friendship which connects the peoples of the world's first socialist state in this way:

Many years have passed since those campaigns.
Our republics are a rock,
And their strength was given to them by friendship,
By the unity of the Soviet peoples.

The Belorussian SSR is densely populated. With an area of less than one percent of the country's territory it has 9.5 million people, mostly Belorussians. Along with them, in a single harmonious family, live the representatives of more than 80 nations and peoples.

The process of the consolidation of the Belorussian nation and of its self-determination within the framework of socialist national statehood was completed in 1939 with the reunification of its western areas which had been taken away from it during the Civil War. At the same time that socialist construction was in full swing in the eastern oblasts, industry and agriculture and science and culture were developing rapidly, and the people's well-being was improving, the western oblasts remained, in essence, on the prerevolutionary level. The Belorussian population was subjected to social and national oppression right up to persecution for socializing in its native language. Thanks to the fraternal help of the Russian and the other Soviet peoples, fundamental economic and social transformations have taken place here.

The foundation of Belorussia's present industry was laid during the difficult and very memorable for the older generation of the republic's workers 1930s. The decade of the formation of the USSR which coincided with the completion of the 1st Five-Year Plan was marked by the rapid industrialization of our republic, agricultural progress, and an offensive against illiteracy. Carrying out Lenin's plan for the electrification of the country, the Belorussian State Regional Hydroelectric Power Station was built here with the participation of specialists from the RSFSR and the Ukraine and thanks to the financial assistance of the union government, and existing electric power stations were improved. During the first 5-year plans the BSSR achieved serious successes in economic and social development. But the war interrupted the peaceful construction.

The Brest Fortress is a symbol of the steadfastness and bravery of Soviet soldiers during the first stages of the Great Patriotic War. The entire world saw with what courage and inflexible will the sons and daughters of many nationalities rose to the defense of our homeland when a mortal danger hung over it. The Brest Fortress has been awarded the title of "Hero Fortress." Here every year people from every corner of our country and from abroad come to this blood-soaked sacred land to honor the memory of the heroic defenders of the fortress.

Belorussia is deservedly recognized as the republic of the entire people's struggle. Behind the occupiers' lines, for three years the flames of partisan war burned, not dying down for a single minute. Everywhere, day and night an army of almost a half million partisans and underground operatives gave no peace to the Hitlerites. In all, 213 partisan brigades and 258 independent detachments fought here. The Communist Party of Belorussia was the organizer and leader of this struggle and its soul. Behind the enemy lines there were in operation 10 underground obkoms and 193 inter-raykoms, gorkoms, and raykoms. Every fourth partisan and underground operative was a communist or Komsomol member.

The war and the occupation inflicted enormous damage upon the republic's economy and caused innumerable calamities to the people. In 1945 national income had not reached even one-third of the 1940 level. The help and support of the fraternal union republics made it possible to rapidly heal the deep wounds of war. Trains containing industrial equipment, construction materials, seeds, and foods moved from the various corners of the country to Belorussia. During the first postwar 5-year plan the BSSR received more funds for capital construction than during all of the previous 5-year plans. The first-born of our postwar large industry--the Minsk Tractor and Motor Vehicle Plants--were built and mastered the output needed by the country with the help of the Volgograd and Khar'kov Tractor Plants and the Moscow and Gor'kiy Motor Vehicle Plants. Within a relatively short period the new enterprises became the flagships of our domestic tractor and motor vehicle industry. Today in Belorussia every 6 minutes a tractor is produced, and every 13 minutes there is a truck. At the Minsk Motor Vehicle Plant the technical documentation has been worked out for the KamAZ dump truck and experimental models of it have been made.

The territorial division of labor between the union republics and the economic regions which has taken shape in the USSR is accompanied by a wide exchange of output and by the joint accomplishment of the tasks to accelerate scientific and technological progress, utilize natural resources, and construct and develop specialized productions. The monolithic nature of the economy of the USSR is not simply the sum of the economies of the individual republics and regions. "The single economic complex of the Soviet Union," Comrade L. I. Brezhnev has pointed out, "is the economic basis which unites the interests of all of the nations in our country. It is together, basing themselves on mutual assistance, and enriching one another with the values of their national science and cultures that they are capable of making the most progress in the construction of communism."²

its convenient geographical position, developed network of rail, motor vehicle, river, and air communications, and the existence of natural resources and skilled cadres make the Belorussian economic region an important element in the country's single economic complex.

Here are some figures which testify to the substantial growth of the republic's productive forces. In a year two plants alone--the Minsk Tractor Plant and the "Gomсельмаш"--produce almost as much output as the republic's entire industry did in 1940. More than 100 branches produce several thousand items of output. From 1940 through 1980 the daily production of electric energy increased from 1.4 million to 93 million kilowatt-hours, of chemical fibers--from 7 to 696 tons, and mineral fertilizers--from 400 to 37,800 tons.

Every seven years the economic potential of our republic doubles. During the last two 5-year plans alone more fixed capital was commissioned than during the previous quarter century.

Belorussia is more and more often being called a region of big chemistry. The development of the chemical and petrochemical industries, and the high rates of the exploitation of natural resources made it necessary to enlist additional labor resources from the fraternal republics. In a planned manner, the party and government assigned Belorussia specialists from related enterprises. Workers from the Russian Federation, the Ukraine, and Azerbaijan came to the Soligorsk Potassium Combine No. 1, the Novopolotsk Petroleum Refining Plant, and the Mogilev Synthetic Fiber Combine. Cadres of miners for the Soligorsk Potassium Combine were basically trained in the Donbass. Today Belorussia produces 40 percent of the potassium fertilizers and 20.3 percent of the chemical fibers and threads. In their turn, our architects and planners, in collaboration with specialists from the other union republics, have helped Kazakhstan to develop the technical documentation for the opening up of the virgin lands, have created a plan for the building up of a neighborhood in Tashkent, and have participated in the designing of individual objects in the Ukraine, Armenia, and Tajikistan. Specialists from Moscow, Leningrad, and Kiev are participating in the construction of the Minsk Subway. It is planned to commission the first line on the 40th anniversary of the republic's liberation from the German fascist invaders.

Many enterprises of the BSSR cooperate closely with plants in the CEMA countries in the joint production of a number of products. For example, the Minsk Radio Plant (on the 50th Anniversary of the Communist Party of Belorussia receives kinescopes and radio lamps from Czechoslovakia and Poland, and sends these countries television sets. Belorussia supplies shock absorbers and other parts and units for the production of the well-known "Ikarus" buses.

Powder metallurgy is becoming increasingly widespread in the republic. Today more than 20 different products are produced from metal powders with a technology which has been worked up by Belorussian scientists. They are used at 13 of the country's enterprises. In the city of Molodechno a metal powder products plant is being built which will make it possible to release around 3,000 workers from the sphere of material production, to save 10,000 tons of rolled goods, and in this way to produce an economy of more than 30 million rubles a year.

The transformations in agriculture have been tremendous. Looking at the virgin soil of the Belorussian village you remember the ruins and the ashes--the terrible legacy of the fascist occupation. And again our fraternal peoples came to our aid. As soon as the republic was liberated the Soviet government had sent to us a large quantity of tractors and agricultural equipment, horses and cattle, seeds, and food and industrial goods. Today more than 112,000 tractors, around 30,000 grain harvesting combines, 69,000 trucks, and a large amount of other equipment is at work on our fields and in our livestock sections. During the last four decades the energy capacity of agriculture increased by more than 30 times. During 1971-1980 4.2 times more capital investments were assigned to the republic's agriculture than during the 20 postwar years. Compared to 1965, agricultural fixed productive capital in the public sector has increased by 4.4 times. Basic field operations have been almost entirely mechanized, and the mechanization of labor intensive processes in animal husbandry is steadily increasing. Work on the chemicalization and reclamation of land is being performed on a wide scale, and this is of inestimable importance for Belorussia. Suffice it to say, that in the past every third hectare of soil was swamp land here. Today more than two million hectares of swamps and swampy land have been reclaimed, that is, every fourth hectare of agricultural land has been renewed.

The shifting of cropping and animal husbandry to a modern industrial basis, agro-industrial integration, and the introduction of scientific achievements have sharply increased labor productivity on the kolkhozes and sovkhozes and have increased the production of agricultural output. Belorussia has become an area of highly developed meat and dairy animal husbandry, and a large producer of grain, potatoes, flax, and other output.

A considerable number of the republic's kolkhozes and sovkhozes obtain big harvests every year, are increasing the production of animal husbandry products, and are demonstrating examples of selfless labor in the realization of the Food Program. The "Mir" sovkhoz-combine in Baranovichskiy Rayon on which a complex for the fattening of 10,000 head of cattle has been constructed may serve as an example. People from many of the union republics travel to this farm for experience, and it is visited by foreign delegations. Senator Bellman of the United States, a prominent agricultural specialist who visited the sovkhoz-combine, said that he "... had seen a new, large, and efficiently operating enterprise for the raising of cattle which has no equal in the United States."³

The republic is faced with large and responsible tasks in carrying out the decisions of the May (1982) Plenum of the CPSU Central Committee. The Food Program envisages that the BSSR will have an annual grain production during the 11th Five-Year Plan of 7.8-8.1 million tons, meat (in slaughtered weight)--1 million tons, and milk--6.5-6.7 million tons. During the 11th Five-Year Plan around 8.5 million rubles in capital investments will be allocated to strengthen the material and technical base of the republic's agro-industrial complex. As Comrade L. I. Brezhnev observed in his speech at the May (1982) Plenum of the CPSU Central Committee, a substantial increase in agricultural output has to be obtained first of all on the basis of an intensive development of all of the branches which are members of the agro-industrial complex.

A large amount of organizational work to carry out the decisions of the plenum has been begun in the republic. Despite the difficult situation caused by the June frosts, the results of the present agricultural year show that the republic's agricultural workers are completely determined to reach the frontiers marked out by the Food Program. This is witnessed by the fact that the republic has fulfilled its assignment for the sale of grain to the state.

The decrees of the CPSU Central Committee and USSR Council of Ministers have defined a complex of measures for the improvement of the management of agriculture, for an improvement of the economic mechanism, and for strengthening the economies of the kolkhozes and sovkhozes. An important role in the accomplishment of these tasks belongs to the agencies of the financial system which on the basis of a deeper study of the economics and finances of the agricultural enterprises and branches which are members of the agro-industrial complex are adopting practical measures to ensure financial resources for the realization of the Food Program, and to strengthen the influence of financial levers on increasing the efficiency of agricultural production.

The achievements in the development of the republic's productive forces became possible thanks to a constant search for and use of new and more effective forms and methods of planning and financial work, the strengthening of cost accounting, and an improvement of the economic mechanism. Quite a few examples of creative initiative which subsequently obtained all-union recognition could be cited. This is, in particular, the experience of Belorussian construction workers which was reflected in the 12 July 1979 decree of the CPSU Central Committee and USSR Council of Ministers. The socialist competition between the workers of Belorussia and Lithuania which has become a good tradition has been making a substantial contribution to increasing production efficiency.

The Central Committee of the Communist Party of Belorussia and the republic's Council of Ministers have been giving great attention to the development of a multi-branch economy and to the intensification of production. This is testified to by the data. Whereas in 1961-1965 41.7 percent of the increase in industrial output was obtained on the basis of an increase in labor productivity, in the subsequent 5-year period the figure was 64.5 percent, in the 9th Five-Year Plan 76 percent, and in the 10th Five-Year Plan 78 percent.

Thanks to our consistent course--to produce more output of better quality and with the least expenditures,--in the 10th Five-Year Plan the republic's ministries and departments obtained 415 million rubles in above-plan profits. Financial agencies have a definite merit here. Year after year the republic's financial workers have been ensuring the successful fulfillment of the State Budget and the uninterrupted financing of the measures of the economic and social development plan. The preponderant part--92.3 percent--of the income of the republic's 1982 budget consists of receipts from state, cooperative, and public enterprise and organizations. In the structure of expenditures 96.9 percent is accounted for by the financing of the economy and of social and cultural measures. In 40 years (1940-1980) appropriations from the budget for the economy increased from 130,000,000 to 3,171,000,000 rubles, and for social and cultural

development and science from 51,000,000 to 2,271,000,000 rubles. Belorussia's financial workers see their chief task in ensuring the successful fulfillment of the State Budget and in strengthening the influence of financial levers on an increase in production efficiency.

Today around 4,000 people are working in the republic's financial agencies, and of them 95 percent have a higher or secondary specialized education. It is not without interest to recall that on the eve of the formation of the USSR there were only 291 people in the republic's financial agencies, and, moreover, only 53 were qualified specialists.

Like all labor collectives, the republic's financial and insurance agencies have joined in the All-Union Socialist Competition for the 60th anniversary of the USSR. In their socialist commitments for 1982 they plan to ensure the budget of receiving 134.5 million rubles in additional income, of completing their annual plan for insurance payments by 25 December, and of obtaining 10 million rubles in excess of their assignment for voluntary insurance. The results of the first half year show that the anniversary year commitments will be fulfilled. Many financial agencies are working creatively and with initiative, are raising important questions, and are delving deeply into the financial and economic work of the economic agencies controlled by them. Among them are the Gomel' Oblast Financial Agency, and the Slonim City Financial Agency of Grodno Oblast and the Glubokskiy Rayon Financial Agency of Vitebsk Oblast. On the whole, during the first half year the republic's budget has been fulfilled for income by 104.3 percent.

In accordance with the program of the 25th Party Congress for social development and for raising the standard of living of the people, during the 10th Five-Year Plan the minimum wage of workers and employees was increased, as were the rates and salaries of workers in the non-production branches. More than one million people in the republic obtained additions to their wages which exceed 200 million rubles annually. In 1980 the total amount of payments and benefits from the social consumption funds reached four billion rubles in the BSSR, or on the average per person--415 rubles,--33 percent more than at the beginning of the 5-year plan. The housing problem is being given a consistent solution. During the last third of a century more than 100 million square meters of housing space have been commissioned in Belorussia. During the last 12 years alone every second inhabitant of the republic experienced the happiness of a housewarming. In the 9th and 10th Five-Year Plans three times as much housing was built here as during the entire prewar period.

The culture of the Belorussian people which is national in form and socialist in content has achieved an unprecedented flowering. It is developing on the beneficial soil of mature socialism, in the channel of the single culture of the Soviet people, and it is constantly being enriched by the lofty achievements and traditions of the national cultures of the fraternal republics. Belorussian writers, composers, artists, and theatrical and movie figures have created many outstanding works which have won universal recognition. During the 10th Five-Year Plan more than 240 books by Belorussian writers with an edition of

almost 30 million copies were translated into Russian and into the other languages of the peoples of the USSR. In their turn, the workers of Belorussia have unlimited possibilities for making use of the spiritual possessions of all of the fraternal republics. The musical, choral, and choreographic professional and amateur collectives of Belorussia are very popular among us and abroad. More than 100 periodicals and 182 newspapers with a single edition of 4.6 million copies are published in the republic. The fruitful creative collaboration of Belorussia's scientists and those of the fraternal republics is constantly growing. Belorussia scientific research institutes are actively participating in the solution of many highly important problems of union significance.

Soviet society shows an enormous concern for labor and war veterans and for citizens who are incapable of work. In prerevolutionary Belorussia there was practically no state social security. Today more than 1.6 million people receive pensions and assistance in the republic. How is one not to recall in this connection that before the revolution, over a period of a half century 1.4 million people emigrated from Belorussia in search of a better life.

During the 11th Five-Year Plan national income is supposed to increase by 23.3 percent. In full accord with the decisions of the 26th CPSU Congress and the 29th Congress of the Communist Party of Belorussia a course aimed at the intensification of the economy has been adopted in the republic. Whereas in the 10th Five-Year Plan, with an increase of 28 percent in national income, capital investments increased by 30 percent, in the 11th Five-Year Plan the growth rates of national income are planned to be 2.3 times greater than those of capital investments.

Speaking at the festive meeting in Tashkent devoted to the presentation to the Uzbek SSR of the Order of Lenin, Comrade L. I. Brezhnev said that internationalism today is above all the honest and conscientious labor of all of the peoples of the country, the ability to place general state interests higher than departmental and local interests, and the ensuring of efficient work by our single economic complex, of the punctual and high quality fulfillment of inter-republic deliveries, a maximum use of resources, and active participation in the solution of those problems which determine economic progress and an improvement of the well-being of the entire people.

A considerable role in the practical realization of each of these conditions belongs to the country's financial system of which the financial and insurance agencies of the Belorussian SSR are an inseparable component part. The republic's financial workers understand this very well and with their daily painstaking work are helping to strengthen the economic might of our homeland and to realize the policy of our Communist Party.

The four-time order bearer Soviet Belorussia is moving to welcome the 60th anniversary of the USSR inspired by the historic decisions of the 26th CPSU Congress and inflexible in its desire to achieve substantial new successes in communist construction in the single harmonious family of Soviet peoples.

FOOTNOTES

1. "Decrees of Soviet Power," Vol 4, p 605.
2. L. I. Brezhnev, "Following Lenin's Course," Moscow, Politizdat, 1970, Vol 2, pp 535-536.
3. SEL'SKAYA ZHIZN', 2 December 1978.

Turkmen Minister of Finance Reports

Moscow FINANSY SSSR in Russian No 12, Dec 82 pp 27-32

[Article by Kh. N. Sukhanov, Minister of Finance of the Turkmen SSR: "The Virgin Lands of Soviet Turkmenistan"]

[Text] The past of the Turkmen people is rich in grief and poor in joys. The mirbas of the Khiva Khan and of the Bukhara Emir, together with the representatives of the Tsarist authorities, took the most vital thing away from people: bread and water, and smothered their unique culture. Land, water, pasture lands, even bushes, not to mention mineral and raw material resources,-- all of this was the object of taxation. During the period of the existence of the Zakaspiyskaya Oblast (1833-1916) the number of types of taxation on the population increased from 2 to 40. Moreover, not a single worker, no matter what the circumstances, could be free of the taxes.

The natural and financial resources which were taken away from the Turkmen people did not serve economic development or the solution of social problems, but only the enrichment of the Tsarist treasury and the maintenance of its military administration. Many of the peasant farms did not have tools or work animals. The gross grain harvest came to 159,300 tons, and 69,400 tons of raw cotton was harvested. The production of all of industry which was based on cottage-style production came to 60.3 million rubles. There were no large industrial enterprises at all. The workers and peasants were subjected to cruel exploitation by the khans, the bais, and representatives of the Tsarist Administration.

Under Soviet power the Turkmen land has changed beyond recognition. From a region of depressing deserts and flowing sands Turkmenistan has been transformed into a highly developed industrial and agrarian republic covered by a dense network of industrial enterprises, petroleum wells, gas pipelines, and powerful electric transmission lines. Today a single work week in the republic is equal to a prerevolutionary year. In six decades industrial production has increased by 206 times. Machinery and petroleum, sodium sulphate and sulphur, the celebrated Turkmen rugs, and diverse industrial output are exported to almost 50 foreign countries.

A modern power engineering has been created. Recently the first stage of the Mary State Regional Hydroelectric Station imeni the 50th Anniversary of the USSR, the republic's largest, was completed, and the high voltage Mary-Karakul' Electric Transmission Line was put into operation--objects which are of exceptional importance for the development of the productive forces of our republic and of the other republics of Central Asia.

Turkmenistan long ago took second place in the country for the production of cotton. In the anniversary year the republic's kolkhozes and sovkhazes will sell the state no less than 1.2 million tons of raw cotton. Year after year there has been an increase in the production of grain, vegetable and melon crops, meat, milk, wool, and other agricultural products. The Karakum Canal, which the people call the river of happiness, has wiped out 1,100 kilometers of desert and has brought water to the expanses of ancient Merv and to the waterless plains of Ashkhabad and Krasnovodsk Oblasts, watering a half million hectares of land. New oases have appeared on these lands, water reservoirs which are rich with fish life are overflowing, and virgin land kolkhozes and sovkhazes are growing. During the 10th Five-Year Plan gross agricultural output increased by 18.9 percent and exceeded 1.25 billion rubles.

There are 48,000 students studying in 8 VUZes and 35 secondary specialized educational institutions, and 708,000 pupils in 1,516 general educational schools; 45 vocational and technical schools are training skilled worker cadres. The Turkmen SSR has 7 theaters, 1,322 libraries, 839 Houses of Culture and clubs, and 19 newspapers are published in the Turkmen and Russian languages, as are many books. The scientific institutions of the Academy of Sciences Turkmen SSR perform research on a wide range of problems.

The best works of our writers have gone into the treasure house of our multinational Soviet culture and have gained international recognition. Public health care is developing intensively. In the system of the republic's Ministry of Health alone there are 359 hospitals with 30,500 beds, 109 polyclinics and out-patient clinics, 1,136 medical and midwife points, 59 epidemic stations, and 269 drug stores. Workers from every corner of the country are being treated and are resting in our sanatoriums and rest homes. Public well-being has risen to an immeasurably high level.

All of this has been achieved thank to the indestructible cooperation of the Soviet peoples, and thanks to the constant solicitude and concern of the party and government for the development and flourishing of the fraternal republics.

A great deal has been accomplished, but difficult tasks will have to be accomplished in this 5-year plan. It is planned to increase national income by 22.7 percent, industrial production by 21.4, and agricultural production by 15 percent. The production of electric energy is supposed to increase by 1.8 times, gas extraction by 17 percent, the production of light industry by 24 percent, the food industry by 40 percent, the meat and dairy industry by 21.1 percent, and so forth.

The financial system and its chief element--the State Budget--play an important role in the realization of the broad program for the further economic and cultural growth of the republic and the well-being of its workers.

With the development of all of the branches of the economy there is an inevitable increase in the income of the republic's State Budget and of its role in economic and cultural construction. Compared to 1925, during the prewar 5-year plans Turkmeniya's budget increased by 50 times, in 1970, compared to 1940, by 13 times, and during the last decade by 40 percent. In 1982 it came to 1,171,980,000 rubles, which fully covered all expenditures and made it possible to transfer part of the income to the union budget. Whereas during the 1920s the basic sources for replenishing the republic's budget were payments by the population and subsidies from the union budget, today they are receipts from enterprises and organizations in the form of the turnover tax and allotments from profits.

The preponderant part of the budget's resources are assigned for the financing of the economy and of culture. In 1982 51.4 percent of all of the republic's budgetary expenditures was allocated solely for social and cultural measures. This means that we will have even more schools, vocational and technical schools and clubs, hospitals, and kindergartens and nurseries, and that working and living conditions will be improved.

In Soviet Turkmenistan, as in the entire country, an extensive socialist competition has been begun for a worthy celebration of an historic date--the 60th anniversary of the USSR,--and for the implementation of the decisions of the 26th Party Congress. Having ardently approved of the social and economic program of the 11th Five-Year Plan, the republic's workers are conducting an active search for reserves for its most rapid fulfillment. The assignments of the first year of the 5-year plan and the plan of the first half year of 1982 have been successfully fulfilled.

The collectives of the republic's financial agencies are also working fruitfully. They have been constantly fulfilling and overfulfilling their plans for budget income and their socialist commitments.

During the 11th Five-Year Plan the republic's budget received 208 million above-plan rubles, in 1981--45.6 million, and in the first half of 1982--more than 30 million rubles. For a number of years the republic's budget has been fulfilled every quarter for all basic income sources.

By the beginning of 1982 there were 392 budgets in the republic--the republic budget, 5 oblast, 15 city, 47 rayon, 73 settlement, and 251 village budgets. All of them are being successfully fulfilled. This has made it possible not only to finance the measures of the economic and social development plan without interruption, but also to allocate additional resources for the construction, improvement, capital repair, and current maintenance of city facilities and other expenditures.

In 1981 the republic's Ministry of Finance and financial agencies developed and approved an organizational plan for the practical realization of the decisions

of the 26th CPSU Congress and the 22nd Congress of the Communist Party of Turkmenistan. In accordance with this plan, at the beginning of every year an annual plan is made up of the basic issues of economic and control work for the apparatus of the republic's Ministry of Finance and financial agencies-- with a quarterly breakdown, and with the specification of concrete periods and executors. The fulfillment of this plan and of the republic's State Budget, and the state of performance discipline are examined every quarter at a board of the Ministry of Finance. Before this, the workers of the Budget Administration, Control and Auditing Administration, and Cadres Division, together with a people's control group, check the punctuality and quality of the realization of all planned measures in every branch administration and division, and also in financial agencies. Thus, upon the expiration of a quarter in every financial agency of the republic and in the ministry's apparatus every division, administration, and worker is given a concrete characterization: what kind of work was done during the entire quarter, how the income plan and socialist commitments were fulfilled, and what points of the economic and control work plan, commissions, orders, or letters were not fulfilled, or were fulfilled badly and belatedly. A personal account is kept for each worker in which the results of his work and additionally obtained income are recorded.

The results of the quarter are discussed at trade union meetings, the advanced workers of the competition are named, and incentive measures are mapped out. If a worker has been criticized for the poor quality fulfillment of a plan, if he has failed to collect all of his payments, or if he has not fulfilled all of the conditions of a competition, he is entirely or partly deprived of his quarterly bonus. At the same time, if there is a necessity for this, practical aid is given in eliminating shortcomings. This disciplines people and increases their responsibility for their work.

A great deal of attention is being devoted to the fulfillment of the turnover tax plan. The republic's financial agencies exercise strict daily control over every enterprise and organization which produces consumer goods. Economists from the financial divisions are at enterprises and organizations almost every day, and they keep track of the fulfillment of the production plan and the output sales plan and over the punctuality of submitting accounts to the bank. Constant control is also maintained over the punctuality of the importation into the republic of goods based on allocations and their progress from wholesale basis into retail trade, and on the selection of allocations by every branch, city, and rayon. The fulfillment of the turnover tax plan is systematically reported by financial divisions to party and government agencies, and every month the Ministry of Finance reports on this to the republic's government.

In our republic the turnover tax issues from 22 branches of industry. During the last three years it has been fulfilled and overfulfilled for every quarter and for all of the branches. During the first half of 1982 there were additional receipts of 4.7 million rubles.

The republic's financial workers are making maximum efforts to strengthen payment and reporting discipline, and to ensure the punctual and complete receipt of payments into the budget. A conference has been held on this issue with

the leaders of ministries and departments and enterprises and organizations, joint meetings of the boards of certain ministries and departments have taken place, and orders have been issued. In recent years most enterprises and organizations have been delivering their payment agreements to the bank just before the payment period runs out. Materials on violators of this procedure are given to the Committee for People's Control and to higher organizations, and penalties are imposed upon the responsible parties and the deficiencies are claimed from their pay. Now forced write-offs have substantially decreased. During the last three years there have been no arrears on almost all of the quarterly reporting dates. The financial agencies of Krasnovodsk Oblast have especially good results.

The Ministry of Finance of Turkmeniya has set every financial agency a task: to ensure the fulfillment of the plan for all income sources, and the fulfillment of the turnover tax plan for every branch of industry, not permitting any arrears on reporting dates. Successful work has been done with this in the first and second quarters of 1982 by the financial agencies of Tashauz and Mary Oblasts, while in Ashkhabad Oblast the turnover tax plan was not fulfilled for a single branch by merely a single financial agency.

The most serious attention is being attributed to the account checks of the balances and reports of enterprises and organizations. An account check of the quarterly and annual reports for 1981 was performed at all enterprises and organizations. There has been a marked improvement of the quality of the checks in many financial agencies; whereas in 1980 additional payments of 6,078,000 rubles were made on the basis of account checks, in the following year the figure was 9,118,000 rubles. Good work has been done by the financial agencies of Krasnovodsk and Ashkhabad Oblasts which have added 3.3 million and 2.2 million rubles, respectively, to the budget on the basis of checks of bookkeeping balances and accounts.

The republic's finance agencies are constantly working on the use of budgetary resources. This work begins with preliminary control at the beginning of the year over the correct composition and punctual delivery of estimates for budget institutions and financial plans for enterprises and organizations. In 1982, in the process of checking the estimates of budget institutions, an expenditure of 1.2 million rubles in overstated appropriations was discovered and prevented.

Every quarter the Ministry of Finance and the financial agencies of the Turkmen SSR report, respectively, to the Council of ministers and the ispolkoms of the local soviets on the results of the execution of the budget of the republic, rayons, cities, and oblasts. The use of allocated budgetary resources for all measures is examined in detail here, the reasons for their poor utilization are specified, and concrete suggestions are made. The reasons for an unsatisfactory utilization of budgetary resources for individual measures are given a deep and thorough study. In 1981 and in the first half year of 1982 alone, on the basis of our suggestions, the Presidium of the republic's Council of Ministers examined the unsatisfactory and ineffective use of budgetary resources in the system of the Ministry of Education, the State Committee for Vocational and Technical Education, and the Ministry of Culture.

Several times there has been an examination in the republic's government of material presented by us concerning the utilization of resources in capital construction, the late payment of wages to the workers of budget institutions, and the utilization of resources for the beautification and capital repair of rayons and cities. Workers from the Ministry of Finance travelled to Chardzhou Oblast to study how the ispolkoms of the local soviets are controlling the execution of the oblast's budget. The Presidium of the Council of Ministers heard a report on this matter by the Chairman of the Chardzhou oblispolkom B. Annayev and adopted a decree. Control over the execution of budgets in the oblast has become stronger.

We regard control and auditing work, especially intra-departmental control, as an important sector. On the basis of a suggestion made by us, independent subdivisions of the control and auditing service have been created in almost all of the ministries and departments. The team of auditors has been increased and improved. Some of the chiefs of the Control and Auditing Administration have become members of the boards of ministries. Individual ministry and department leaders have begun to deliver reports more frequently on the state of control and auditing work at the Presidium of the Council of Ministers. For example, in accordance with our material, the Council of Ministers has examined the state of control and auditing work in the Ministry of Local Industry and has sternly punished the ministry's leaders for the unsatisfactory organization of this work. Recently the board of the Ministry of Finance heard a report by the republic's Deputy Minister of Municipal Services on the state of intra-departmental control and of measures to improve it. The Ministry of Finance has held a seminar-conference in the republic's Council of Ministers on improving control and auditing and bookkeeping work with ministry and department leaders, the chiefs of control and auditing administrations and divisions, and chief bookkeepers. In order to improve their qualifications the Ministry of Finance has also called a seminar-conference of workers from the control and auditing apparatus of the republic's financial agencies. They are being certified. As a result, with each passing year the control and auditing apparatus is being filled with more qualified workers and this, undoubtedly, is helping to raise the level of audits and checks, and the complete and effective realization of their materials.

The financial agencies of Turkmeniya are persistently seeking to improve accounting and reporting work at enterprises, institutions, and organizations, and are exercising strict control over their compliance with personnel estimate discipline. Every year checks on this issue cover up to 60 percent of the enterprises, organizations, and institutions. More attention is now being given to control over their compliance with the maximum appropriations established for them, and their fulfillment of the assignments stipulated in the budget in decreasing expenditures for the maintenance of the managerial apparatus. Greater use is being made of the right which has been granted to financial agencies to collect illegal and overstated appropriations for the budget's income. In 1981 3.7 million rubles was collected. People's control agencies have been given 137 cases of violations of personnel estimate discipline, and monetary deficits (14,000 rubles) have been claimed.

Work with cadres is an especially important direction. All of the forms of studying are being used: full time in institutes and tekhnikums, evening, and correspondence. As a result, by the beginning of 1982 the percentage of specialists among staff workers increased to 97.6 percent; of them, almost one-half have a higher education. It should be remembered that workers with a secondary specialized education appeared in the financial agencies of the Turkmen SSR only in the 1930s, and in 1937 there were only 55 of them. Today all of the chiefs of financial divisions are communists with a higher education. Of the budget workers, 98.4 percent are specialists, for state income--96, for staff--100, and for the financing of the economy--99.4 percent.

All of the young specialists, VUZ graduates, undergo an apprenticeship and then receive a recommendation from a special commission. The apparatus of the Ministry of Finance and the republic's financial agencies have 148 mentors to whom 182 young specialists are assigned. Most of the mentors are not only highly qualified specialists, but also good educators. One wishes to make special mention of the senior auditor inspector of the Tashauz Oblast financial agency M. P. Medvedkin, the chief bookkeeper of the Takhtinskiy Rayon financial division T. A. Dyuk, the deputy chief of the budget division of the Bayram-Ali city financial division N. G. Zemskova, the chief of the State Income Division of the Ashkhabad financial division E. D. Nagiyev, and the chief of the personnel division of the Chardzhou Oblast financial division M. P. Sidorova. Ten people have the title of "Honored Economist of the Republic," and 37 have been awarded government awards.

Economic studies are conducted in the Ministry of Finance and in every financial agency no less frequently than twice a month. Since 1978 the ministry has had attached to it a permanent course base where every year 180 specialists undergo advanced training.

Socialist competition has been widely developed. One must not fail to mention the Tashauz Oblast financial division (Chief--M. Obdurasulov) which in all of the four quarters of 1981 was the victor in the All-Union Socialist Competition and, moreover, in three quarters obtained the Red Challenge Banner. In the second quarter of 1982 this financial agency again came out in front. It has been given the title "Communist Labor Collective," and it has been entered into the republic Honor Book of Finance Workers. Many rayon and city financial divisions have won in the All-Union Competition. Since 1980 there has been a Republic Socialist Competition of Financial and Insurance Agencies. In addition, oblast, city, and rayon financial divisions compete with one another, twice a year verifying one another's fulfillment of agreements. The results of every verification are discussed in the collective. This kind of competition makes possible an exchange of experience.

The Turkmen SSR is celebrating the anniversary of the formation of the Soviet multinational state as an equal member of a large harmonious family with labor successes. The workers of the republic's financial agencies are happy that there is a portion of their labor in these achievements.

Georgian Finance Official Reports

Moscow FINANSY SSSR in Russian No 12, Dec 82 pp 32-36

[Article by B. I. Dzhaparidze, First Deputy Minister of Finance of the Georgian SSR: "A Bright Path"]

Text. On the threshold of the 60th anniversary of the Soviet Union the workers of Georgia have been seized by an ardent desire to increase the wealth of their land and, this means, of our entire multinational state.

There are four orders on our republic's standard. Four-time order-bearing Soviet Georgia has covered a large and glorious path in the harmonious family of Soviet republics. "The path which Georgia has been and continues to follow," Comrade L. I. Brezhnev has said, "is the path of our entire great commonwealth of peoples."

Six decades ago Georgian industry consisted of a small number of small, technically backward enterprises with a small number of workers. In the present capital of Soviet Adzharia, Batumi, there was a tobacco factory, an iron casting plant, a chemical plant, a plywood plant, a bucket plant, and three lever plants. More than 40 percent of the enterprises belonged to foreigners, and the whole of Batumi's industry had an auxiliary character--chiefly the production of all kinds of packing for the exportation of petroleum. In Kutaisi, today Georgia's second industrial center, in 1909-1912 there were 62 small cottage-style enterprises whose output amounted in value to 290,000 rubles a year. Before Soviet power the industrial center of prerevolutionary Georgia--Chiaturi--could not get itself included among city settlements and was so lacking in facilities that congresses of manganese industry workers had to be called in Kutaisi. There was talk about the maritime port of Poti to the effect that it was a place with a murderous climate where the broad development of a city was completely inconceivable.

The situation of other Georgian cities and populated points was no better. We can get a clearer idea of this from the budget of the time. Or, rather, the budgets, since their individual forms each of which had its own range of income and expenditures were not interconnected, and property tax served as the basic general source.

All of the budgets of Georgia's local bodies of self-government for 1912 totalled 4,836,200 for income, and 9,276,800 rubles for expenditures (of this amount, only 4.1 percent was spent for the maintenance of health care institutions, while for institutions of education 2.5 percent more was spent than for maintaining the police).

Under the Menshevik government things were even worse. The mining of manganese and coal went into a deep decline. Production was curtailed in other branches also. Without a solid financial base, and as a result of a systematic hourly sharp decline in the exchange rate of its paper money the government covered

its needs by means of emissions. Inflation had a powerful influence on the budget. Whereas in 1918-1919 its income came to 39,600 rubles (in terms of gold), in 1919-1920 it was only 7,300 rubles; expenditures were, respectively, 153,500 and 31,000 rubles. The largest amounts here were assigned for the maintenance of the agencies of administration and coercion, and for military ends.

Having inherited a completely devastated economy, Soviet power, from the very first days after the expulsion of the Mensheviks, began to put things in order.

Today Georgia is an industrial republic which produces the most intricate machine tools and precision instruments, electric locomotives and computers, motor vehicles, airplanes, electrical engineering products, and consumer goods. It is a republic of a multi-branch mechanized agriculture which grows tea and citrus fruits, grapes and tobacco, and fruits and vegetables in a wide assortment. It is a republic of science in which there are around 200 scientific research institutions and more than 25,000 scientific workers. It is a republic of an ancient unique culture which has attained an unprecedented flowering during the years of Soviet power. It is a republic health resort where during the 10th Five-Year Plan alone more than two million workers from every corner of the country rested and were treated, and sanatorium and resort complexes for almost 2,500 people were put into operation.

We have achieved our successes in close unity and with the help of other Soviet brother peoples to whom we, for our part, are not in debt either. This is the way it was during the first years after the revolution, when Soviet Russia put out of its own then scant budget the resources for the construction of the Transcaucasian State Electric Power Station and the organization of a light industry in Transcaucasia. This is the way it was during the period of rapid construction of the first 5-year plans, during the war years, and after the great victory. The workers of the RSFSR, Ukraine, Azerbaijan, and Armenia lived with the same cares as we did, and the workers of Soviet Georgia extended a hand of help and friendship to those who needed it with joyous and generous readiness.

... The 1920s. The grim time of the fight against devastation. The workers of Moscow give the workers of Kutaisi a gift of equipment for a cloth factory. In his well-known letter, "To the Comrade Communists of Azerbaijan, Georgia, Armenia, Dagestan, and the Gorskaya Republic," V. I. Lenin described the program for the construction of socialism here, advising Georgian communists to emphasize the mastery of natural resources--petroleum, manganese, coal, and copper--and to "develop . . . the productive forces of this rich region." . . . and begin large-scale electrification work. . . ." This advice was immediately confirmed in a practical way: the government of Soviet Russia allocated Georgia for an acceleration of the electrification first 750,000 rubles, and then 1 million rubles in gold. And so in the sixth year of Soviet power in the republic the first stage of the Zemo-Avchal'skaya Hydroelectric Power Station, the first of the GOELRO plan in Georgia, went into operation.

The first 5-year plans saw the construction of the Batumi Petroleum Refining Plant, the Zestafon Ferroalloys Plant, the Tbilisi Machine Building Plant imeni Kirov, the Chiaturi Concentrating Mills, a sugar plant in Agara, and a canning and shoe factory in Kutaisi. Thirty new branches of industry have been created: machine building and ferromanganese, energy, petroleum refining, the light and tanning industries, the construction material industry, and others. During the 3rd Five-Year Plan operations began at the "Tsentrolit" Plant and the Kutaisi Lithograph Plant, at that time the second enterprise of the country's chemical industry.

Agriculture developed with gigantic strides. In 1922 the Georgian peasantry was able to put out only 12,000 ox carts for the construction of new irrigation systems--that was the "agriculture" of that time. A completely small amount of time passed and powerful machines displaced the wooden plow, the hoe, and the ox cart. Soviet Georgia remembers with gratitude that from 1925 through 1930 it received from Russia and the Ukraine 462 tractors, 36,874 plows, 8,529 subsoilers, 968 hay mowers, 816 sifters, and other equipment. And then a year did not pass when every worker in our republic did not feel the beneficial influence and the beneficial results of the great friendship of peoples. It is thanks to it that young industrial centers developed on the republic's map--Poti, Ikvarcheli, and Madneuli.

Together to shoulder with the entire Soviet people, Georgia defended the gains of labor during the Great Patriotic War. During those years the mass discovery of local resources for the needs of the war began here. New mineral raw materials deposits were opened, hard coal mining increased by 129 percent, the mining of copper ore increased fivefold, and the mining of lead increased ninefold. Georgian magnesium played an important role in strengthening the country's defense capacity. Along with the other republics, the Georgian SSR supplied the front with agricultural products. Georgia's workers deposited more than 15 billion rubles in the defense fund.

The best enterprises of the postwar 5-year plans were the Tbilisi Control Machines Plant and the Rustavi Chemical Plant. The energy industry has developed rapidly in the republic. Compared to 1940, its present potential has increased approximately 20 times. During the 10th Five-Year Plan operations were begun at the Inguri Hydroelectric Power Station in whose construction emissaries from almost all of the union republics participated. During the 11th and 12th Five-Year Plans an entire constellation of unique hydroelectric power stations appeared on the Inguri River.

The powerful development of power engineering has contributed to the fact that during the last decade Georgia's workers have substantially increased industrial production. The party and the government have mapped out clear orientation points along the path of the republic economy's constant growth, and its contribution to the all-union division of labor.

Thanks to the constant help of the Communist Party and the Soviet government, since 1912, when the decree of the CPSU Central Committee on the Tbilisi party

gorkom was adopted, the republic's economy has been developing in a rapid, planned and stable manner. Moreover, during the past decade its development rates have outstripped the average union ones. In 1971-1980 the share of the Georgian SSR increased as follows: in the country's national income--from 1.4 to 1.75 percent; gross industrial output--from 1.2 to 1.4 percent; and average annual gross agricultural output--from 1.25 to 1.6 percent.

The republic's industrial potential is growing above all on the basis of a full utilization of the production capacities which exist in the republic, the rationalization and expansion of existing enterprises, and a maximum involvement in economic turnover and thrifty and efficient use of its rich natural and labor resources.

To obtain ever more output from every ruble of fixed productive capital--this is the goal, and this is the task which today faces every enterprise and every labor collective of the Georgian SSR. The slogan "The Economy Must Be Economical" has entered firmly into our economic practice and has helped considerably with the fulfillment of the 1982 planning assignments.

The 11th Five-Year Plan is off to a successful start in all of the branches of the republic's economy. Ferrous and nonferrous metallurgy and the chemical industry are increasing their production. It is gratifying that in the chemical mining industry, for example, whose output is a crucial source for the intensification of agriculture the proportion of output with the State Token of Quality has reached 32 percent. The fuel industry continues to develop at accelerated rates. Machine building is growing rapidly, and its production is almost 2.6 times in excess of the 1970 level.

The light and food industries of Soviet Georgia have been given serious tasks. The Food Program envisages a more than twofold increase in the production of canned fruits and vegetables by 1990. The production of high quality Chateau wines and of fruit and grape juices will have to be increased, as will tea production capacities. During these years the lands of the kolkhid lowland--70,000 hectares--have to be drained and reclaimed, 120,000 hectares are to be irrigated, and 150,000 hectares of pasture lands are to be flooded.

The Food Program is assigning a large role to the fish industry. During the 5-year plan its output in the republic will increase by 36.4 million rubles. A guarantee of this is the fact that the increase in average annual gross agricultural output during the 10 years after the issuance of the decree of the CPSU Central Committee on the Tbilisi party gorkom came to 59 percent, while in the country as a whole it was 23 percent. Almost twice as much gross output is produced on 100 hectares of agricultural land in the republic as on the average in the union. In 10 years the procurement of fruit has almost doubled. By 1985 our glorious citrus growers will increase the gross harvest of citrus fruits by almost 1.5 times. By that time it is planned to bring average annual grape procurements to one million tons. Compared with 1972, already today the total increase in the production of agricultural output has exceeded one million tons.

Industrial production has almost doubled. Suffice it to say that last year alone more than three billion rubles worth of consumer goods were produced, something that we could only dream about 10 years ago. In 1981 845 million rubles worth more fixed capital was put into operation than in 1973.

The planned and comprehensive development of Georgia's economy is to a large extent the result of the purposeful and consistent financial policy of the republic and of the state as a whole. The financial agencies of the Georgian SSR make great efforts to mobilize monetary resources and provide uninterrupted financing for all of the measures planned by the 26th Party Congress, to increase production efficiency and work quality, bring about an economical and thrifty use of resources, and perfect and reduce the cost of the managerial apparatus. Our national income which has exceeded 8.5 billion rubles has now reached a record level. With the addition of payments and benefits from the social consumption funds, the average monthly wages of workers and employees have increased to 208 rubles compared to 157 rubles in 1973.

The 1982 State Budget has been fixed at 2,414,273,000 rubles, which is 6.5 percent greater than the previous year's budget. The increase in national income will be expressed in the amount of 440 million rubles (6.1 percent).

The republic has entered the year of the 60th anniversary of the USSR directly from its own anniversary year, holding high the Red Challenge Banner of the CPSU Central Committee, USSR Council of Ministers, AUCCTU, and the Komsomol Central Committee for its successes in the All-Union Socialist Competition. Speaking at the celebrations in Tbilisi commemorating the 60th anniversary of Soviet Georgia and the formation of the Communist Party of Georgia, Comrade L. Brezhnev wished the republic's workers bolder actions, more persistent work, and a further increase in the authority of Soviet Georgia.

The workers of the Georgian SSR are proud of the confidence shown in them and will make every effort to honorably justify it.

Bashkir Finance Minister Reports

Moscow FINANSY SSSR in Russian No 12, Dec 82 pp 36-40

Report by Sh. S. Sulevmanov, Minister of Finance of the Bashkir ASSR, Hero of the Soviet Union: "Bashkiriya in the Harmonious Family of the Peoples of the USSR"

The Soviet people and all progressive mankind welcomed the decree of the CPSU Central Committee "On the 60th Anniversary of the Formation of the Union of Soviet Socialist Republics" with enormous enthusiasm. For the workers of the Bashkir ASSR this anniversary is also important in that June 1982 marked 15 years since the voluntary joining of the Bashkir region to Russia. The Great October Socialist Revolution opened up a straight and bright path to a free and happy life for the workers of Bashkiriya. On the basis of a decree

signed in March 1919 by the founder and leader of our party V. I. Lenin, the Bashkir ASSR was formed as a part of the Russian Federation.

Thanks to the comprehensive help of all of the peoples of our country, during the years of Soviet power Bashkiriya has been transformed into an industrial republic with a highly developed agriculture and an advanced culture. New cities have grown up, villages have become more beautiful, and such branches of industry as petroleum extraction and petroleum refining, petrochemistry and chemistry, machine building and instrument making, microbiology, and also a large number of other branches have arisen and received a gigantic development. Compared to the prerevolutionary level, industrial production has increased by almost 1,000 times.

The face of agriculture has changed beyond recognition. Before 1917 there were only seven small capacity tractors in Ufa Guberniya, and those only on landowners' farms. Every ninth peasant household had neither arable land nor traction power. Today there are more than 630 kolkhozes and more than 160 sovkhoses in the republic. They have at their disposal almost five million hectares of arable land, 36,000 tractors, almost 16,000 combines, around 20,000 trucks, and many mechanized animal husbandry complexes and industrial-type farms.

There has been a genuine ascent of science and culture. Before the revolution there was complete illiteracy here. Today in the republic, as in the entire country, the shift to universal secondary education has been successfully completed. Of a total population of around four million people, one million are pupils or students. The republic has a state university and petroleum, aviation, medicine, and agricultural institutes and three pedagogical institutes. Fruitful work is being performed by the Bashkir branch of the USSR Academy of Sciences and by dozens of scientific research institutions. Workers with top qualifications are trained here for many specialties.

The republic's cities and villages have 1,900 mass libraries whose book fund comprises around 20 million volumes, 3,000 clubs and Houses and Palaces of Culture, 7 museums, 7 theaters, and more than 3,000 movie installations. Six republic, 8 city, and 104 rayon newspapers and 8 journals are published in six languages of the peoples of our country.

The profoundest changes have occurred in the social structure of our population. Before October urban inhabitants in the region represented only six percent of the population, while now they represent more than one-half. People from more than 100 nationalities live and work here as a harmonious family.

Every day the highways, the main rail and pipelines, the air routes, and, for many months, the water routes carry an endless stream of rolled metal goods, piping, electrical equipment, control and measuring instruments, petroleum, gas, and so forth to Bashkiriya from the different areas of the country. In their turn, the republic's enterprises ship instruments and automation equipment, cable, mineral fertilizers, rubber, herbicides, ammonia, gasoline,

industrial oils, petroleum bitumin, and so forth to various places in our country and to almost 90 foreign countries.

Recent years have been marked by a rapid development of industry, an improvement of its structure, and a wide introduction of equipment and technology. During 1976-1980 the sale of industrial output in the republic increased by 35 percent, and during the five years more than 500 million rubles worth of above-plan output was sold.

A dynamic growth by all of the branches of the republic's economy has been planned also for the 11th Five-Year Plan. It has been planned to increase the amount of industrial commodity output by 26 percent, the average annual gross agricultural output by 10.3 percent, and the population's monetary income by 22.5 percent. Capital investments in the economy from all financing sources will come to 10.5 billion rubles, which is 13.9 percent more than during the 10th Five-Year Plan. It has been planned to commission 10.2 billion rubles worth of fixed capital, which is 20 percent more than in 1976-1980. Investments in housing construction will increase by 8.4 percent, and substantial monies will be assigned for the construction of educational and health care objects. A further development of public education, culture, and health care and a strengthening of the material base of these branches is envisaged.

The State Budget, as the basic financial plan for the formation of the general state fund of monetary resources, has had and continues to have an important role in economic and cultural development and in carrying out Lenin's nationalities policy. This can be seen very clearly from the example of the Bashkir ASSR. Since the formation of the USSR enormous investments have been assigned through the autonomous republic's budget for the development of the local economy, education, health care, culture, and other measures. During the years 1922-1960 they came to (in the prices of the corresponding years) 20.9 billion rubles, and during 1961-1981--9.2 billion rubles. These expenditures have been increasing every year, which can be seen from the following data:

(Millions of rubles)		
Years	Total budget expenditures	Average amount of annual budget
1961-1965	1183.8	236.8
1966-1970	1849.7	369.9
1971-1975	2399.4	479.9
1976-1980	3095.4	619.0

The consistent increase in the amount of the budget has been harmoniously combining with an increase in state income which is mobilized into the country's budget system. Thus, during the 9th Five-Year Plan the USSR State Budget received from the territory of the autonomous republic 11.4 billion rubles in income, and during the 10th Five-Year Plan--16.2 billion rubles.

In order to successfully fulfill the budget and the state income plans, the republic's financial agencies conduct a large amount of economic and control work, and are constantly developing proposals to strengthen the economies and finances of the branches of the economy and to increase, on this basis, budgetary income. Thus, every year in the first quarter, jointly with planning agencies and banking institutions, they analyze the financial and economic work of ministries, departments, associations, enterprises, and organizations, and prepare proposals on eliminating shortcomings and increasing production efficiency and work quality. During the process of this work during the years 1976-1980 25.6 million rubles of intra-enterprise reserves were found, and during a year and a half of the 11th Five-Year Plan--8.4 million rubles. Of this amount, 20.6 million rubles was assigned to increase the budget's income, and the rest to cover the needs of the enterprises themselves.

Well-directed work is also being done to control the work of enterprises and organizations of republic RSFSR and union subordination. As a result of an analysis of the financial and economic work and of checks of the reports and balances of these organizations, proposals have been made on increasing balance profits, changing the amounts of allotments to the economic stimulation funds, and, on this basis, increasing payments to the budget by 25.5 million rubles in 1981 and 28.6 million rubles in 1982. The largest amounts of additional income for the budget have been discovered by the workers of the financial agencies of Ufa, and also of the Sterlitamak, Oktyabr'skiy, Ishimbay, and Salavat City Financial Divisions.

The fulfillment by industrial enterprises of their consumer goods production and quality improvement plans is under constant control, and proposals for the additional production of such goods are worked out with planning agencies. Measures made it possible to mobilize an additional 24 million rubles in income for the budget during the years 1976-1980, and of this amount 18 million was in the form of turnover tax and more than 6 million rubles in the form of payments from profits.

The Ministry of Finance of the Bashkir Autonomous Republic, the rayon and city financial divisions, and the apparatus of the control and auditing administration devote constant attention to checking the correctness of planning and the use and safekeeping of state resources. Toward this end, every year there are a large number of thematic checks and document audits on the execution of the budgets of all of the republic's 75 rayons and cities, 880 rural and settlement Soviets, and more than 500 centralized accounting offices. Thanks to these checks and audits, in 1981 and in the first half of 1982 financial agencies prevented 10.2 million rubles of excessive expenditures.

There is systematic control in our republic over compliance by enterprises and organizations with personnel estimate discipline and the fulfillment of assignments to reduce administrative and managerial expenditures. As a rule, not less than 50 percent of the enterprises and organizations are covered by such checks every year. This kind of work promotes the full receipt by the budget of the economy from reducing managerial expenditures. In a year and

a half of the 11th Five-Year Plan this income came to 25.9 million rubles for the autonomous republic.

In recent years in Bashkiriya there has been a quarterly fulfillment and over-fulfillment of the income part of the budget and of the state income plans. The Ministry of Finance of the Bashkir ASSR has occupied prize places in the socialist competitions of the autonomous republics, krays, and oblasts six times during 1976-1980, and of them, in three quarters it occupied first place, receiving the Red Challenge Banner of the Ministry of Finance USSR and the Central Committee of the State Institutions Workers' Trade Union. Thirteen of our rayon and city financial divisions have won prize places in all-union socialist competitions. By Ukaze of the Presidium of the Supreme Soviet of the Bashkir ASSR the title of "Honored Economist of the Bashkir ASSR" has been awarded to the Deputy Minister of Finance M. I. Antonov, to the Division Chiefs of the Ministry of Finance of the Bashkir ASSR G. G. Kalimullina and N. F. Lishchenko, to the rayon and city financial division Chiefs D. Z. Valeyeva, N. S. Gallyamov, and M. G. Ganiyev, and to the Chief of the inspectorate of the Kumertau Rayon Financial Organization Kh. A. Muratova. A large group of the republic's financial workers has been awarded Honorary Certificates of the Presidium of the Supreme Soviet of the Bashkir ASSR for successes in plan and socialist commitment fulfillment in the 10th Five-Year Plan. Among them are the Chief of the Sovetskiy Rayon Financial Office of Ufa Kh. G. Mardanov, the Chief of the Belokatayskiy Rayon Financial Office K. P. Shishkov, the Division Chief in the Ministry of Finance of Bashkiriya A. G. Nigmatullin, the Deputy Division Chiefs of the Ministry Ye. A. Pronina, B. V. Ryzhkov, R. N. Satin, the Division Chief of the Ufa City Financial Office F. S. Zaripova, the Deputy Chief Controller and Auditor of the Control and Audits Administration of the Ministry of Finance RSFSR for the Bashkir ASSR R. N. Nuriyev, and the leading rayon and city financial division workers N. D. Vaganova, K. I. Kutysheva, K. Sh. Sakhullina, R. S. Sedakova, M. P. Yakudina, and others.

All of our efforts are now directed toward a worthy celebration of the 60th anniversary of the formation of the USSR, and a competition for the title of "Best in His Profession" has been initiated among the republic's financial workers, competitions for the best economic analysis of the financial and economic work of enterprises and organizations are practiced, and labor rivalry between the ministry's divisions and also the rayon and city financial divisions is becoming more extensive. A movement for a communist attitude toward labor has also been begun. At the present time 456 people have been awarded the high title of "Communist Shock Laborer," and three financial agencies the title "Communist Labor Collective."

In order to improve the training of cadres and to work out recommendations, in 1979-1981 a certification of the leading specialists of finance agencies and also of the chiefs of rayon and city financial divisions was organized. During it there was a thorough discussion of production work and initiative, and the organizational abilities of those being certified and their participation in the public work of the collective were studied. The certification process has been done with 234 workers. The patronage of experienced workers over

young specialists is of great educational importance. We have 200 mentors acting as patrons for 240 young workers.

More could be said about the achievements of four-time order-bearing Soviet Bashkiriya during the years of Soviet power, a republic which has found genuine happiness in our equal union of free peoples. An equal among equals, it is making its contribution to the common work of communist construction.

In the light of the decisions of the 26th Party Congress and the November (1981) Plenum of the CPSU Central Committee, the financial agencies of Bashkiriya have committed themselves to ensure a full and punctual mobilization of enormous amounts of money for the budget and the uninterrupted financing of all of the measures mapped out for 1982 and for the 11th Five-Year Plan, and to exercise effective control over compliance with state, planning, and financial discipline and with an economical and thrifty expenditure of state resources. In 1982 it is planned to mobilize 3.8 billion rubles of income into the State Budget, and of this amount, 700 million rubles into the republic's budget. A 30 million ruble overfulfillment of the state income plan is envisaged for the second year of the 5-year plan.

The autonomous republic's finance agency workers understand the importance of their tasks very well. Their efforts are directed toward increasing the influence of financial and credit levers on production intensification, a strengthening of cost accounting, a deep study of the economies of the branches of the economy, the development of proposals to increase the efficiency of social production and ensure, on this basis, a successful fulfillment and over-fulfillment of the state income plans and the republic's budget.

The fulfillment of the income part of the budget and of the plans as a whole has happened. Now all of our work is directed toward a qualitative fulfillment of the plans for every type of income. To accomplish this, we are improving the style and methods of our economic and control and auditing work, and increasing the performance discipline and personal responsibility of each worker.

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